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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1940.

OBEAR-NESTER GLASS COMPANY,
Plaintiff-Petitioner,

v.

WALGREEN DRUG STORES, INC.,
Defendant-Respondent,

and

CORNING GLASS WORKS,
Intervenor-Respondent.

PETITION FOR WRIT OF CERTIORARI
and
BRIEF IN SUPPORT THEREOF.

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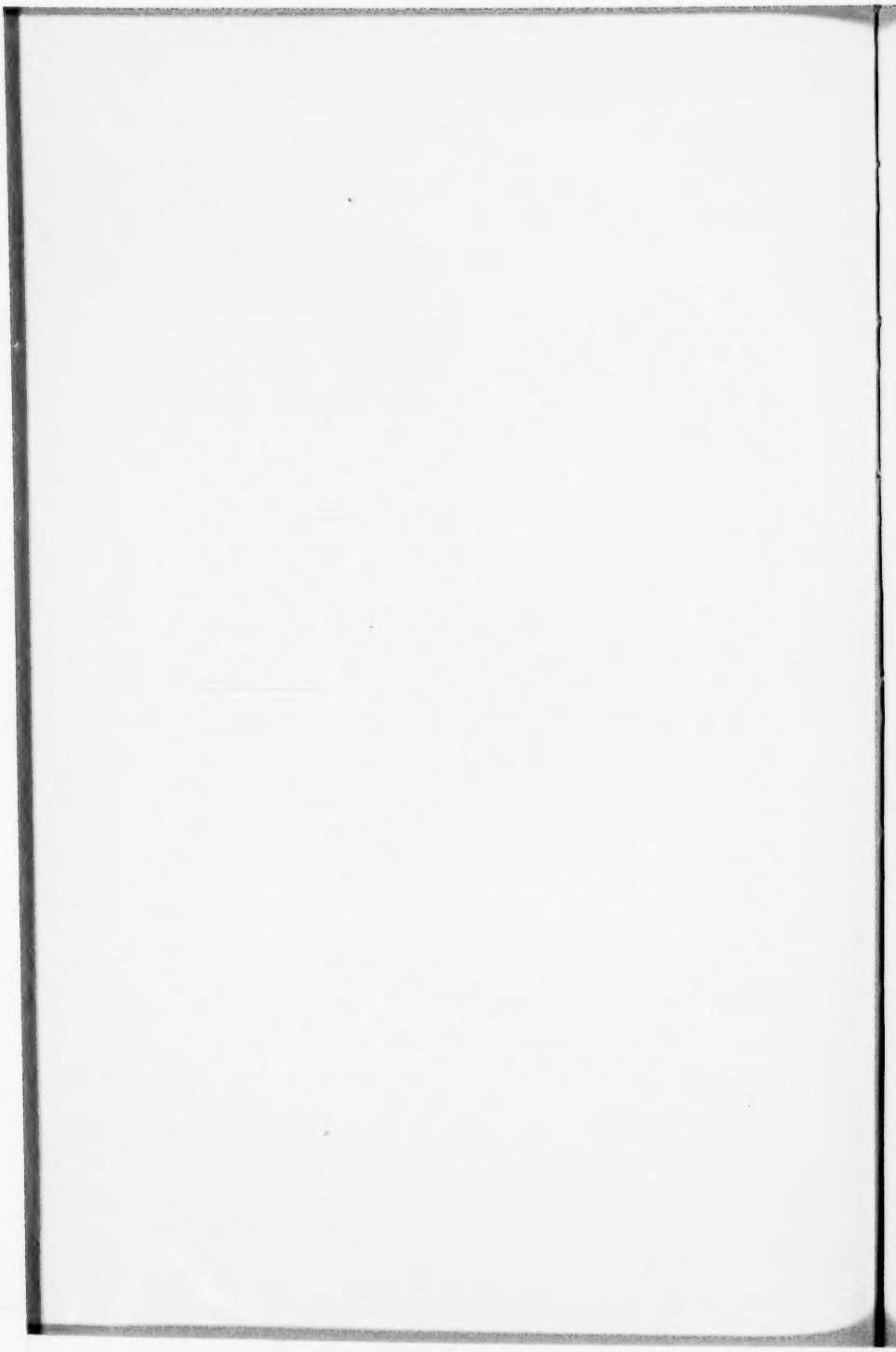

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Plaintiff-Petitioner,

v.

WALGREEN DRUG STORES, INC.,
Defendant-Respondent,

and

CORNING GLASS WORKS,
Intervenor-Respondent.

PETITION FOR WRIT OF CERTIORARI

To the United States Circuit Court of Appeals for the Eighth Circuit.

To the Honorable The Chief Justice and The Associate Justices of the Supreme Court of the United States:

Your petitioner, Obear-Nester Glass Company, respectfully prays for a writ of certiorari to the Circuit Court of Appeals for the Eighth Circuit to review a judgment and decision of that court entered on the 19th day of July, 1940, in companion cases *Walgreen Drug Stores, Inc.*, (original defendant) *v. Obear-Nester Glass Company*, No. 11,654, and *Corning Glass Works* (intervener) *v. Obear-Nester Glass Company*, No. 11,655, reversing a decree of

the United States District Court for the Eastern District of Missouri, Eastern Division, which granted the full relief prayed to the Obear-Nester Glass Company for infringement of its trade-mark REX. The appeals were considered as one by the Eighth Circuit Court of Appeals and were so treated by the parties. They are considered as one here.

This petition is accompanied by a certified transcript of the record in the case at bar, including the proceedings in the court to which the writ is asked to be directed [Rule 38 (1) of this Court], together with ten copies of the record [Rule 38 (7) of this Court].

Notice of the filing of this petition, together with a copy thereof, a copy of the supporting brief and a copy of the printed record are being served by the petitioner on counsel for the respondents and due proof of service is being filed with the Clerk of this Court [Rule 38 (3) of this Court].

The amended decision of the Eighth Circuit Court of Appeals appears at page 1205 of the record. No written opinion was filed by the lower court, but its findings of fact and conclusions of law are found at page 1104 of the record.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

Obear-Nester instituted this suit under *15 U. S. Code 96* for infringement by Walgreen of its registered trade-mark REX for glassware, particularly glass bottles, through the sale in the Eastern District of Missouri, Eastern Division, of glassware, particularly glass bottles, imprinted with the mark PYREX (R. 3, 5, 1105), sales which Walgreen and Corning admit. Corning intervened and has since de-

fended the action (R. 8, 10). The suit is, therefore, one for technical trade-mark infringement.

Obear-Nester manufactures and merchandises glassware, particularly glass bottles, of various kinds, including a number of types of bottles to which it applies its trade-mark REX (R. 246 *et seq.*, 1105).

In the year 1896 Obear-Nester adopted as a trade-mark the word REX and applied the same to glassware, to wit, bottles, or to the packages containing the same, which it sold in interstate commerce (R. 65, 67). On October 23, 1900, under the *Trade-Mark Act* of 1881, trade-mark certificate No. 35,303 was issued for the 30-year term to Obear-Nester as the owner of said trade-mark, based upon use beginning January 2, 1896 (R. 65).

Prior to the expiration of the term of the said certificate of registration No. 35,303, Obear-Nester filed its application for re-registration of said mark under the *Trade-Mark Act* of 1905 and, on August 23, 1927, trade-mark certificate No. 231,759 was issued to Obear-Nester by the United States Patent Office (R. 69).

Obear-Nester has used REX as a trade-mark on prescription bottles from January 2, 1896 in interstate commerce continuously to date (R. 65, 247); it has also applied its REX mark to nursing bottles (1928: R. 364), utility bottles (1930: R. 367), dropper bottles (1930: R. 366), citrate of magnesia bottles (1930: R. 367), toilet bottles (1929: R. 368) and pockiteer flasks (1931: R. 369) for a number of years prior to the filing of the bill of complaint to date, and applied the mark to liquor bottles sold in interstate commerce up to 1919 (R. 285). (See Pltf.'s Exs. 9, 10, 16-18, 20, 21, 22, 24, 25, 26 and 28.)

The available records of Obear-Nester show a substantial business in glassware manufactured and sold by Obear-Nester bearing the trade-mark REX from 1917 to the filing of the bill of complaint (R. 374, 375). Its cata-

logues were sent to every state in the United States (R. 363; Pltf.'s Exs. 11-15). Both documentary and oral proof establish that the said mark REX was widely advertised and became well known in the trade as identifying Obear-Nester's products long prior to 1915 (R. 363, 376-379, 394, 401).

In 1915, Corning adopted and began to use the mark PYREX for a line of glassware, namely, baking ware (R. 712); thereafter Corning applied the mark PYREX to an additional line of glassware, namely, laboratory ware, including bottles of various kinds (Def.'s Exs. 83, 88, 91, 99, etc.); and later, after it had been making nursing bottles for a number of years (R. 648, XQ. 154), Corning applied the mark PYREX to nursing bottles (1922). Corning spent substantial sums in advertising its products between 1915 and 1931 (R. 748, 749).

Corning, while denying knowledge of the use of the trade-mark REX by Obear-Nester at the time of its adoption of the trade-mark PYREX in 1915, failed to establish that it used due care and caution to ascertain whether or not there had been a prior use of a confusingly similar mark (R. 24). Further, Corning admitted, through a responsible officer thereof, that it would have adopted the mark PYREX regardless of whether it had had knowledge of a prior use of the trade-mark REX by Obear-Nester as applied to glassware (R. 25).

On March 13, 1917, Corning registered the mark PYREX for glass, certificate No. 115,846 (R. 513); and, on October 14, 1924, registered the mark PYREX for nursing bottles by certificate No. 190,518 (R. 531).

In the year 1928, at which time both Obear-Nester and Corning were applying, respectively, the marks REX and PYREX to nursing bottles, Obear-Nester first learned of conflict between products sold under said marks in the trade territories mutually served by the parties (R. 372,

402 *et seq.*). Obear-Nester notified Corning in 1930 of the infringing use of the mark PYREX (R. 77). Expensive patent litigation instituted against Obear-Nester in 1926 by Hartford-Empire, connected with Corning, prevented immediate action in 1928 (R. 373).

On July 20, 1931, Obear-Nester filed in the United States Patent Office cancellation proceedings, Nos. 2334 and 2335, for cancellation of the aforementioned PYREX trade-mark registrations Nos. 115,846 and 190,518, respectively, based upon the prior use of the trade-mark REX, alleging that the marks REX and PYREX were deceptively similar and that the marks were used on goods or merchandise in the same class, and of the same descriptive properties (R. 116-131).

The Examiner of Interferences in charge of trade-marks decided both cancellation proceedings in favor of Obear-Nester, the decisions of the said Examiner finding that PYREX was deceptively similar to REX and that the goods upon which each of the parties had used the respective marks were of the same descriptive properties (R. 188-191).

The law does not require any proof of direct confusion, but Obear-Nester furnished for the record the testimony of numerous witnesses who testified to direct confusion in the trade arising out of the simultaneous use of the mark REX and the mark PYREX on nursing bottles (R. 155-186, 402-404). Corning produced witnesses who testified to lack of confusion. It need not be argued that such negative testimony is of questionable value, since, for example, evidence that ten persons do not have smallpox is not proof that the disease does not exist so as to require prophylaxis.

Decisions Below.

The District Court, before whom the trial was held, adjudged the trade-mark REX infringed, denied the defenses

of the respondents, ordered an accounting, issued an injunction, made findings and conclusions (R. 1104), and entered its interlocutory decree for the petitioner (R. 1108).

In so doing, the District Court held that the glass bottles represented in petitioner's registration are goods of the same descriptive properties as the glass bottles and also the other glassware of the respondent; that the two marks REX and PYREX are confusingly similar; that the petitioner's use long antedated that of the respondents; that the petitioner had not been guilty of laches, and that the respondent Corning's adoption of the mark PYREX had been in disregard of petitioner's mark REX (R. 1104 *et seq.*).

The Court of Appeals reversed the District Court on only two grounds, and, in so doing, injected two novel interpretations of the Trade-Mark Act of 1905, and its 1906 amendment, not only contrary to their wording, but effectively nullifying long-established rules of trade-mark law that have been relied upon by the public and the petitioner for such a length of time that their overthrow transcends the rule of *stare decisis* to the inescapable point of being judicial legislation.

The Court of Appeals held that the registration by the petitioner of its mark for glass bottles, with the statement required by the 1906 statute of the particular goods upon which it has been used, was a disclaimer of the mark with respect to everything other than prescription bottles, and that, because of this "disclaimer," the glass bottles and other glassware of the respondent, not being prescription bottles, do not have the same descriptive properties as the glass bottles of the respondent.

This was the Alpha and Omega of the Court of Appeals' decision, since it is the first point discussed, and the last conclusion (R. 1212 and 1219). It permeates the entire decision, and is a radical departure from accepted custom of interpretation of the statute.

The Court of Appeals further reversed the District Court on the theory that because the glass bottles of the petitioner differed from the glass bottles of the respondent in appearance, material and price, and are usually sold in combination with the other products, they are goods of different descriptive properties.

The Court of Appeals, in so reversing the District Court, chose to base its conclusion upon a hypothesis that no confusion would result, despite the existence in the record of evidence of actual concrete confusion upon which the District Court based its findings of fact. No explanation of why this and the findings of the District Court were clearly unsupported by the evidence was offered. The Court of Appeals merely disregarded the evidence upon which the District Court based its findings of fact.

The Court of Appeals stated, contrary to the District Court, and with no explanation whatsoever of its action in reversing the findings, that respondent's mark, usurping petitioner's mark in its entirety, does not have the appearance or sound of petitioner's mark, and this accompanied by a long explanation that respondent's PYREX means "fire *king,*" whereas obviously petitioner's mark REX means "*king.*"

The Court of Appeals, in direct contradiction to the District Court, held that the familiar doctrine of expansion of business to analogous products does not apply here on the ground that it does not attach to registered trademarks, this being a far-reaching interpretation of the Trade-Mark Act of 1905, contrary to accepted custom. The Court of Appeals further decided that the protection of a business in the fields into which it may normally be expected to expand in the future cannot be had in the absence of a present occupation of that field, which is, by any interpretation, a complete nullification of the expansion of business doctrine long understood and accepted as

a proper interpretation of the "same descriptive properties" clause of the 1905 Trade-Mark Act.

The Circuit Court of Appeals put aside all other defenses and did not consider them. They, therefore, stand adjudicated against the respondents by the action of the District Court.

The decision of the Court of Appeals is not only contrary to the decision of the District Court, but is also contrary to the decision of the United States Patent Office in the proceeding between these parties wherein cancellation of respondent Corning's aforementioned registrations was granted petitioner, as a basis of which decision the Patent Office held that the goods of the petitioner have the same descriptive properties as those of respondents, and that the marks are deceptively similar (R. 1106, Fdgs. 12, 13).

JURISDICTION.

The jurisdiction of this Court to grant the writ of certiorari to review the decision and judgment is given by the following statutes:

(1) This suit was instituted under *U. S. Code, Title 15, Section 96* (R. 3).

(2) *U. S. Code, Title 15, Section 98*, provides for granting of writs of certiorari by this Court for review of such suits, in the same manner as provided by *U. S. Code, Title 28, Section 347*.

The relevant portions of said statutes are quoted in the annexed brief at pages 14-16.

QUESTIONS PRESENTED.

1. Whether, in the registration of the trade-mark REX under the Federal Trade-Mark Act of 1905, the statement

required by the amending statute of May 4, 1906 that the mark has been used on glass prescription bottles is a disclaimer of the mark as applied to *all other goods* no matter how closely analogous.

2. Whether the doctrine of expansion of business to analogous products, long accepted as a proper interpretation of the 1905 Trade-Mark Act, shall no longer be applied to marks registered under that Act.

3. Whether the doctrine of expansion of business, long accepted, shall be nullified completely by requiring it to be applied only where there has been actual entry into the expected field by the older user of the mark prior to entry of the junior user, which is, of course, a destruction of the doctrine itself.

4. Whether the Court of Appeals properly reversed the findings of fact of the District Court not only without explaining wherein they were "clearly erroneous," but also contrary to evidence (whether or not conflicting evidence) in the record, and properly substituted academic hypothesis for such evidence, particularly where the District Court's findings were confirmed by the findings of another tribunal.

5. Whether the registered trade-mark REX, applied and used on glass bottles made of ordinary glass, is infringed by the use of the mark PYREX on glass bottles and other glassware made of heat-resisting glass.

REASONS FOR ALLOWANCE OF THE WRIT.

1. The decision of the Eighth Circuit Court of Appeals that the statement of goods in a registration certificate, as required by the amendment of May 4, 1906 to the Trade-Mark Act of 1905, is a disclaimer of all other analogous goods, is a new interpretation of a long-existing federal

statute not heretofore interpreted by this Court; and the decision, obviously affecting all of the several hundred thousand registered marks, adjudged a vital federal question in a manner believed untenable.

2. The 1905 Act with its 1906 amendment has not heretofore, it is thought, been interpreted specifically, but it has long been the uniform practice of the courts, prior to this decision, to assume an interpretation contrary to the present decision. Hence, this decision, even if not in direct conflict with other decisions, is in direct conflict with their results, and violates the rule of *stare decisis*, upsetting both legal and commercial practices in a startling manner.

3. The decision of the Eighth Circuit Court of Appeals that

> (a) the product expansion of business doctrine does not apply to registered trade-marks, and
>
> (b) the trade-mark registrant must have actually sold the expected products with the mark thereon prior to such use by the junior user of the mark in order to avail of the expansion of business doctrine,

presents an interpretation of the 1905 Act of great importance to the user of every trade-mark in the United States. This Court has never heretofore directly considered the applicability of the product expansion of business doctrine.

4. Although this Court has never before decided as to the applicability of the product expansion of business* doctrine to the 1905 Act, the Circuit Courts of Appeals have. The one clear adjudication, from the Third Circuit, is directly contrary to the present decision in the Eighth. Most other Circuits have consistently applied the doctrine to registered trade-marks without specifically discussing

*This Court has considered territorial expansion of business which is a distinct rule.

its basis as did the Third Circuit. Resolution of this conflict is essential to national consistency in the rights of trade-mark owners who have registered them under the 1905 Act.

5. The Court of Appeals' ruling that the right to protection of a business based upon a trade-mark registered under the 1905 Act, in the expansion of the business to products normally to be expected from such a business, is effective only if the owner of the mark actually makes such goods prior to a newcomer, is under any interpretation a complete destruction of the entire doctrine. Yet, the doctrine has been so long a part of the law and is so important to every manufacturer of goods who expects ever to enlarge his line of products as do his competitors, that to say the least it should be authoritatively decided one way or the other by this Court.

It is hardly necessary to add that the decision emasculating the doctrine is contrary to the overwhelming weight of authority in the other Circuits.

6. The Eighth Circuit Court of Appeals has decided points of fact in direct conflict with the findings of fact of the District Court as to the descriptive properties of the goods and the similarity of the marks involved. If this resulted from a legal interpretation, it was based upon the foregoing novel law now established for the Eighth Circuit; if it was based upon fact, it constitutes a reversal of findings of fact contrary to the decisions of this Court and to the express wording of *Rule 52 (a)* of the *Rules of Civil Procedure*, since the Court of Appeals did not even attempt to set forth wherein or how the District Court findings were "clearly erroneous." It is in direct contradiction to evidence and testimony before the District Court, and it is contrary to the ruling of the Patent Office on the same points in the cancellation proceedings between those parties.

There is no means by which these parties may obtain a conflicting ruling from another Circuit Court of Appeals.

7. The Eighth Circuit Court of Appeals has decided important federal questions, the effect of which is of great public importance and interest.

Wherefore, petitioner respectfully prays that this petition for writ of certiorari to review the judgment of the Circuit Court of Appeals of the Eighth Circuit be granted.

OBEAR-NESTER GLASS COMPANY,
By LAWRENCE C. KINGSLAND,
ESTILL E. EZELL,
EDMUND C. ROGERS,
Counsel for Petitioner.

St. Louis, Missouri,
October 22, 1940.

BRIEF FOR PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:

THE OPINIONS OF THE COURTS BELOW.

The District Court filed no opinion, but entered findings of fact and conclusions of law (R. 1104) and an interlocutory decree (R. 1108).

The Court of Appeals handed down a first opinion, reported at 46 USPQ 440, 30 T. M. Rep. 477. Then, first, under the guise of a letter asking amendment of the decision prior to its going to press, and, second, by a petition to modify opinion, respondents obtained modification of parts of the opinion in respect to PYREX.* The amended opinion is reported at 113 F. (2d) 956 (R. 1205). Petitioner was not given a hearing on this amendment.

The opinions are more fully discussed in the petition, page 5 *et seq.*

JURISDICTION.

The decision below was entered on July 19, 1940 (R. 1205).

A petition for rehearing was duly filed August 3, 1940, which was denied August 29, 1940.

The Judgment was rendered in a suit in equity brought

*In 30 T. M. Rep. 529, the change made by the Eighth Circuit Court of Appeals is set forth. It, after delivery of the original opinion to the parties, ordered the statement deleted that "this word (PYREX) has passed from the control of Corning and has been adopted by the public as a part of the English language"; and it added to the original opinion that "We are not holding that the mark has ceased to exist or lost its validity as Corning's trade-mark."

The procedure by which the changes were made was substantially ex parte, and the alterations did not increase the clarity of the opinion.

under the Federal Trade-Mark Act of 1905, *U. S. C., Title 15, §§ 81-108,* as amended; and more specifically under *§§5, 16-17, 1920,* of the Act *(U. S. C., Title 15, §§ 85, 96-97, 99-100).*

The statutes under which jurisdiction of this Court is invoked are *§ 240 (a)* of the *Judicial Code,* as amended by the Act of February 13, 1925; *U. S. C., Title 28, § 347 (a),* and *U. S. C., Title 15, § 98.*

STATEMENT OF THE CASE.

The facts are clearly set forth in the petition (p. 2 *et seq.*).

STATUTES INVOLVED.

The statute under which this suit was filed is *U. S. Code, Title 15, Sections 96 and 99,* of which the pertinent portions are as follows:

> "Sec. 96. * * * Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, * * * shall be liable to an action for damages therefor at the suit of the owner thereof."
>
> "Sec. 99. That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for wrongful use of a trade-mark the complainant shall be entitled to recover, in addition to the profit to be accounted for by the defendant, the damages the complainant has sustained thereby, and

the court shall assess the same or cause the same to be assessed under its direction. * * *"

The pertinent part of the Act of May 4, 1906, amending the Trade-Mark Act of 1905 is:

"Sec. 2. That the Commissioner of Patents shall establish classes of merchandise for the purpose of trade-mark registration, and shall determine the particular descriptions of goods comprised in each class. On a single application for registration of a trade-mark the trade-mark may be registered at the option of the applicant for any or all goods upon which the mark has actually been used comprised in a single class of merchandise, provided the particular descriptions of goods be stated."

The jurisdiction of the District Court was based on *U. S. Code, Title 15, Section 97*, which reads as follows:

"The district and territorial courts of the United States and the district court of the United States for the District of Columbia shall have original jurisdiction, and the circuit courts of appeal, of the United States * * * shall have appellate jurisdiction of all suits * * * in equity respecting trade-marks registered in accordance with the provisions of this subdivision of this chapter, arising thereunder, without regard to the amount in controversy."

The jurisdiction of this Court is based upon *U. S. Code, Title 15, Section 98*, which reads as follows:

"Writs of certiorari may be granted by the Supreme Court of the United States for the review of cases arising under this subdivision of this chapter in the same manner as provided by section 347 of Title 28, Judicial Code and Judiciary."

Said *Title 28, Section 347*, reads as follows:

"(a) In any case, civil or criminal, in a circuit court

of appeals, or in the Court of Appeals of the District of Columbia, it shall be competent for the Supreme Court of the United States, upon the petition of any party thereto, whether Government or other litigant, to require by certiorari, either before or after a judgment or decree by such lower court, that the cause be certified to the Supreme Court for determination by it with the same power and authority, and with like effect, as if the cause had been brought there by unrestricted writ of error or appeal. * * *"

SPECIFICATION OF ERRORS.

The errors upon which petitioner shall rely if the writ of certiorari is granted are that the Court of Appeals erred:

1. In holding that the recitation in the registration certificate of the goods upon which the mark had been actually used comprised a disclaimer of all other analogous goods.

2. In holding that the expansion of business to related products doctrine does not apply to a case of infringement of a registered trade-mark.

3. In reversing the District Court by deciding that the expansion of business doctrine cannot apply to protect expected future products unless the expected future products have actually been made at the present.

4. In reversing the District Court by deciding that the respondent's glass bottles and glassware are not of the same descriptive properties as petitioner's glass bottles because the doctrine of expansion of business does not apply to registered trade-marks.

5. In reversing the District Court's findings of fact without pointing out the manifest errors, particularly when the findings stand substantiated by established proof.

6. In reversing the District Court's finding of fact that respondent's use of PYREX on glass bottles and glassware is an infringement of petitioner's registered trade-mark REX for glass bottles.

7. In holding that "Rex nursing bottles are not similar to Pyrex bottles, either in material, appearance or price."

8. In failing to affirm the District Court.

SUMMARY OF ARGUMENT.

The points of the argument hereinbelow follow the reasons relied upon for the allowance of the writ set forth in the annexed petition, pages 9-12, and are, briefly:

Point 1.

The statement or description in a federal trade-mark registration of the particular goods upon which the mark has been used is required by the Federal Trade-Mark Act of 1905 as amended May 4, 1906, as a matter of procedure, and is not a substantive disclaimer of all other analogous goods.

Point 2.

An interpretation of the statement of particular goods required by the Federal Trade-Mark Act of 1905 as amended May 4, 1906, as a disclaimer, which is what the Eighth Circuit Court of Appeals has done below, is a declaration that the same is a matter of substance and is in conflict with the decisions of the other Circuit Courts of Appeals and is a manifest violation of the rule of *stare decisis.*

Point 3.

The doctrine of expansion of business to related products applies as well to a case of infringement of a technical

registered trade-mark as to a case of unfair competition. Manifestly, a requirement that the trade-mark registrant actually manufacture the disputed products prior to the use thereon by the junior user of the infringing mark, which is the ruling of the Eighth Circuit Court of Appeals, is unsound.

Point 4.

The findings of fact of the District Court in respect to the descriptive properties of the goods and the similarity of the marks involved must be accepted as correct, unless clearly shown to be erroneous.

Point 5.

The effect of the important federal questions untenably decided by the Eighth Circuit Court of Appeals is of great public importance and interest.

ARGUMENT.

Point 1.

The statement or description in a federal trade-mark registration of the particular goods upon which the mark has been used is required by the amendment of May 4, 1906, to the Federal Trade-Mark Act of 1905. Up to this time, the requirement has been considered by the courts and the Patent Office to be only a matter of procedure, and *not* a substantive disclaimer of *all other goods not specifically listed.*

The pertinent portion of the Act of May 4, 1906 amending the Federal Trade-Mark Act of 1905 provides that:

> "On a single application . . . the trade-mark may be registered . . . for any or all goods upon which the mark has actually been used comprised in a single class of merchandise, provided the particular description of goods be stated."

Rule 22 (b) of the Patent Office incorporates the aforesaid as one of the requisites of an application, setting forth that the application shall include the statement of:

> "* * * the class of merchandise (according to the official classification), and the particular description of goods comprised in such class upon which the trade-mark has actually been used, * * *."

The statute and *Rule 22 (b)* required the statement appearing in petitioner's registration that the mark had been used on prescription bottles. The statement was merely a fulfillment of a *procedural requisite of the Patent Office.* Petitioner, therefore, complied with the procedural requirements, but in *no* sense did it disclaim *all other analogous goods.*

This procedural requirement is explained by the decision of the Commissioner of Patents, *Ex parte Scurlock*

Kontanerette Co., 37 USPQ 87, 163 MS. 5, 28 T. M. Rep. 274, in which an applicant for registration sought to register a mark for "bottles, in class 33, glassware." The registration was refused because bottles of different materials fall into four different Patent Office classes of trademarks. Conceding that "a bottle is a bottle regardless of the material it is made from," and that bottles of different material "doubtless possess the same descriptive properties," the Commissioner held that

> "It would be neither practical nor desirable to include within any particular class all goods which have been held to be of the same descriptive properties; and a reclassification along the line suggested by applicant would result in the establishment of hundreds of classes to replace the forty-nine now existing."

Even though a mark be obviously applicable to related goods in the same class, the Commissioner refuses to permit recitation of the goods in the registration *unless actually used.*

In *Affiliated Products Co. v. Crazy Water Co.*, 37 USPQ 230, 163 MS. 12, a mark was sought to be registered for "shaving cream and shaving, toilet and bath soaps." Actual use had been made only on shaving cream. The others were ordered deleted from the application. This was affirmed by the Court of Customs and Patent Appeals, 104 F. (2d) 366, 42 USPQ 22. See, also, *A. C. Buschman & Co. v. Bradley*, 46 USPQ 279.

The general rule that has heretofore been followed by the Patent Office (and by the courts) is well expressed by the Court of Customs and Patent Appeals in *Harlan-Wallins Coal Corp. v. Transcontinental Oil Co.*, 64 F. (2d) 122, 17 USPQ 230:

> "This court has never deemed the Patent Office classification of articles to be of controlling importance

in the ascertainment of whether two articles are of the same descriptive properties."

All prior custom and practice has made the Act of May 4, 1906 procedural rather than substantial until the present decision. The present decision, like a bolt from the blue, makes it a matter of substance.

In its decision the Eighth Circuit Court of Appeals states (R. 1212):

> "* * * The registered trade-mark is limited by its claim, and the applicant is concluded by his statement made a part of his application."

The Court applied the *disclaimer principle of patents* as expressed by this Court in *Sontag Chain Stores Co. v. National Nut Co.*, 310 U. S. 281, 60 S. Ct. 961, 967, 84 L. ed. 881, to registered trade-marks, quoting from the case! In winding up its decision, the Court stated (R. 1219):

> "So here, the defendant could not certainly, in face of the declared purpose of plaintiff to limit its trade-mark 'Rex' to prescription bottles, and its conduct in limiting its products to such bottles, have anticipated that it would begin to manufacture and sell nursing bottles."

As a matter of fact, the petitioner manufactured nursing bottles in and prior to 1922 (R. 281, etc.), of which the respondents have attempted to make much, and has manufactured nursing bottles to date. From the actual facts of this case it is clear beyond doubt, since it is a fact, that nursing bottles *do* come from manufacturers of other bottles.

It will hereafter be pointed out that the uniform accepted practice of the courts has been to consider the 1906 amendment *wholly procedural,* and in no sense a limitation upon the *substantive rights* of the 1905 Act. This Court

has never before ruled on the point. Even if the Eighth Circuit interpretation be correct, it is so radical a departure from accepted custom and practice in commerce, in the Patent Office, and in law, that it should have early acceptance or rejection by this Court, the one authoritative body.

Point 2.

The adjudging that the specification of goods required by the 1906 amendment constitutes a disclaimer is in conflict with the accepted law of other circuits. The doctrine of *stare decisis* is squarely applicable. While no court has ever apparently been called upon specifically to interpret the amendment, there are a number of decisions whose unmistakable intent is in direct conflict, and which must have been decided exactly oppositely had the present interpretation been proper.

Rosenberg Bros. & Co. v. Elliott, 7 F. (2d) 962 (C. C. A. 3);
Mantle Lamp Co. v. Aladdin Mfg. Co., 78 F. (2d) 426 (C. C. A. 7);
Waterman Co. v. Gordon, 72 F. (2d) 272 (C. C. A. 2);
Duro Co. v. Duro Co., 27 F. (2d) 339 (C. C. A. 3).

Particularly pertinent is the *Rosenberg* case, *supra*, upon which the Eighth Circuit Court of Appeals strongly relied to support its statement in respect to the third point presented by this brief, which is the only case specifically applying the expansion of goods theory to a registered trade-mark. In the *Rosenberg* case, the use of "Fashion Park" on hats and caps was held to be an infringement of "Fashion Park" on men's clothing. The mark "Fashion Park" owned by the plaintiff in that case was registered only for suits and coats, and the certificate did not specify hats and caps for the very simple procedural reason that

the mark was not being used by the registrant upon hats and caps at the time the registration was obtained. Yet, as has just been stated, infringement of the *registered* trade-mark was held to exist. If the disclaimer rule had applied, necessarily the decision would have been contrary.

In the *Waterman* case, *supra,* the registration of the plaintiff there specified fountain pens, mechanical pencils and similar writing instruments. It did not specify razor blades. Infringement could not have been found under the disclaimer interpretation. But Judge Hand and the Second Court of Appeals found infringement.

The other cases cited above are in line with the *Rosenberg* and *Waterman* cases, particularly commented upon. It has never been considered necessary by any of the courts to specifically rule upon the point of whether or not disclaimer is involved, since the words of the statute are so plain.

As far as we have been able to ascertain by diligent search, this Court has never specifically ruled upon the point in question, although *Rock Spring Distilling Co. v. W. A. Gaines & Co.,* 246 U. S. 312, 62 L. ed. 738, can be placed in the class of cases assuming the rule to be contrary to the present decision.* Certainly this Court has never ruled that the statement or description in a federal trade-mark registration of the particular goods upon which the mark has been used is a disclaimer of all other analogous goods.

Apparently, the Eighth Circuit Court of Appeals was led into the error by a completely erroneous application of this Court's decision in *Sontag Chain Stores Co. v. Na-*

*This Court therein quoted, with approval of the substance, the following (p. 320):

"* * * The court said that 'whatever the extended classifications and subclassifications of the Patent Office practice may contemplate, neither the common law nor the registration statute can intend such confusion as must result from recognizing the same trade-mark as belonging to different people *for different kinds of the same article.*" (Emphasis added.)

tional Nut Co., 310 U. S. 281, 84 L. ed. 881, a recent decision applying only to patents. Certainly, the Court of Appeals surprisingly recited parts of the *Sontag* case as support for the position. Here it evidenced a miscomprehension of the difference between patents and trade-marks. Patents are based upon claims, and what is not claimed is dedicated to the public. In trade-marks, no claims are provided by the statute, and none are possible. The *Sontag* case cannot apply by any stretch of imagination.

There exists here a complete violation of the rule of *stare decisis*. With the applicability otherwise of the *Rock Spring v. Gaines* case, *supra*, its statement is of peculiar significance that (p. 320):

> "* * * But it seems to have become established, and, however it may be disputed in reason, there is no opposing consideration. As said by Circuit Judge Sanborn in Layton Pure Food Co. v. Church & D. Co., 32 L. R. A. (N. S.) 274, 104 C. C. A. 475, 182 Fed. 35, 39: 'Uniformity and certainty in rules of property are often more important and desirable than technical correctness.'"

If the long-established and accepted rule that the specification of goods in a registration is procedural rather than substantial is to be reversed after thirty-six years, it is submitted that this Court is the only source of an adequate ruling.

Point 3.

The doctrine of expansion of business to related products applies as well to a case of infringement of a technical registered trade-mark as to a case of unfair competition. Manifestly, a requirement that the trade-mark registrant actually manufactures the disputed products prior to the use thereon by the junior user of the infringing mark,

which is the ruling of the Eighth Circuit Court of Appeals, is unsound.

The Eighth Circuit Court of Appeals stated (R. 1218):

> "It is urged by plaintiff that under the doctrine of expansion of business it is entitled to an unhampered use of its trade-mark 'Rex' on products normally considered as of its manufacture. As has already been pointed out, plaintiff's suit is based upon an alleged *infringement of a registered trade-mark.* The bill contains no averments of unfair competition, nor, indeed, is it alleged that purchasers are deceived into buying the products of defendant in the belief that they come from plaintiff. *It is doubtful whether the doctrine of expansion of trade is applicable in a case of alleged infringement of a technical registered trade-mark. Rosenberg Bros. & Co. v. Elliott,* 3 Cir., 77 F. (2d) 692." (Emphasis added.)

Why, we ask, is there this discrimination by the Eighth Circuit Court of Appeals against a "technical registered trade-mark"? Certainly, registration of a trade-mark does not and should not narrow its scope, although that is exactly what the Eighth Circuit Court of Appeals does by its ruling just noted, taken in conjunction with its ruling in respect to the description of goods section of the registration certificate. Certainly, if registration is to destroy the expansion of business doctrine as applied to the particular mark, then the several hundred thousand registrants throughout the world have been very foolish indeed in spending money to curtail the remedies otherwise open to them for infringement of their marks, which is touched upon further under Point 5, *infra.*

This Court has never before ruled upon the doctrine of expansion of business to related products. As a matter of fact, this Court has never even ruled upon the interpretation of the words "same descriptive properties" in the

statute. As is pointed out below, the Circuit Courts of Appeals rule generally contrary to the present decision.

Needless to say, the doctrine is of great importance to all sellers of products under trade-marks. Hardly any concern or individual, wealthy or otherwise, expects to confine its line of goods to the specific articles currently produced. Yet, under the ruling of the Eighth Circuit, there can be no protection in the field, even though it be as close as are glass nursing bottles to glass prescription bottles. The manufacturer of one kind of bottles is forever constrained to that type, if another produces a different type before the first can do so.

We respectfully point out that the Eighth Circuit Court of Appeals was led into its error in respect to the *Rosenberg* case, *supra*, by an incomplete quotation of the respondent included in its main brief on appeal. Certainly, the *Rosenberg* case is no authority for the ruling that the expansion of trade doctrine is inapplicable in a case of technical registered trade-mark infringement. It is *authority* for *exactly the opposite position.* We pointed this out in our main brief before the Eighth Circuit Court of Appeals. We here quote in full the pertinent portion of the *Rosenberg* case (p. 963):

> "Although the law of trade-marks and the law of unfair competition are closely related * * * it should be kept in mind that, though alike in principle, they are enough unlike in practice to admit of raising and trying different issues. Yet the distinction between these similar laws is not always observed, as we have found from an inclination of counsel rather frequently to cite the decisions of this court in Akron-Overland Tire Co. v. Willys-Overland Co. (C. C. A.), 273 F. 674, and Howard Wall v. Rolls-Royce of America, Inc. (C. C. A.), 4 F. (2d) 333, as authority for finding infringement of a trade-mark by its use on different but related wares and sometimes as authority for infringement by use on wares that are not related.

We pause to note that those cases are not authority on the law of trade-mark infringement at all, for each was tried and decided on the single issue of unfair competition, * * *.

"As the complainant in this case has not charged the respondent with unfair appropriation of its trade-name, but has charged him with infringement of its trade-mark and with unfair competition by unfair advertising practices, the law of Akron-Overland Tire Co. v. Willys-Overland Co. and Howard Wall v. Rolls-Royce of America, Inc., is not in terms applicable to either issue of the case under review. *The case at bar, however, directly raises for the first time in this circuit the question which it has frequently been thought this court decided in those two cases. In order to avoid confusion in our decisions we shall treat the precise question here raised as one of first impression.*" (Emphasis added.)

It is manifest, therefore, that the court was *merely* pointing out the fact that the cases of *Akron-Overland Tire Co. v. Willys-Overland Co.*, 273 F. 674, and *Wall v. Rolls-Royce*, 4 F. (2d) 333, are unfair competition cases and are not authority for finding infringement of a trade-mark by its use on different but related wares. The court there, however, does *not* deny the existence of the expansion of business doctrine in respect to trade-marks. It considered the doctrine as a new problem in the Third Circuit in respect to registered trade-marks and held it clearly applicable. How can even an inference be drawn from the case respecting denial of the doctrine when the court concludes with (p. 964)

"* * * Specifically there is a difference between coats, vests, pants, overcoats and hats and caps. There is no doubt about that. But on a charge of infringement courts, advancing a step from the old law, are to-day less concerned with the species than with the class of goods on which a trade-mark has been used.

> When it has been used by the owner and by another on goods of the same class, though different in species, the question whether they are so closely related—so near akin—as to be regarded as having the 'same descriptive properties' arises."

and thereupon *found infringement.*

With the foregoing case analyzed, there remains no authority for the novel ruling of the Eighth Circuit Court of Appeals. We have found no case which denies the application of the expansion of business theory to technical registered trade-marks, a theory which goes hand in hand with the same descriptive properties clause of the statute.

Since the *Rosenberg* case from the Third Circuit is in direct conflict with this decision of the Eighth Circuit, it is submitted that only a ruling by this Court can resolve the conflict and provide a uniform law for the entire country.

While the *Rosenberg* case, presenting as it does the direct conflict, is the only one analyzing the point specifically, there is a long line of cases accepting the applicability of product expansion of business to registered trade-marks, so that there is unquestionably a situation here wherein the Eighth Circuit has disregarded the value of *stare decisis*, grown up by contrary interpretation for the thirty-five years of existence of the 1905 Act. Among such cases are:

> *Aunt Jemima Mills Co. v. Rigney & Co.*, 247 F. 407 (C. C. A. 2);
> *Landers Frary & Clark Co. v. Universal Cooler Corp.*, 85 F. (2d) 46 (C. C. A. 2);
> *Pocono Rubber Cloth Co. v. Livingstone Inc.*, 79 F. (2d) 446 (C. C. A. 3);
> *Mantle Lamp Co. v. Aladdin Mfg. Co.*, 78 F. (2d) 426 (C. C. A. 7);

Cf. Hydraulic Press Brick Co. v. Stevens, 15 F. (2d) 312 (C. C. A. 5).

The rule has been widely applied by the Patent Office, indicating that if the Eighth Circuit rule is proper, extensive changes must be made in Patent Office practice. Among such cases are:

Cluett, Peabody & Co. v. Wright, 46 F. (2d) 711 (C. C. P. A.);
Simplex Electric Heating Co. v. Gold Car Co., 43 App. D. C. 28.

In view of the production of such confusion by the enunciation of the Eighth Circuit Court of Appeals, and the lack of any guiding ruling by this Court, it is thought that the matter is one singularly appropriate for granting this writ.

In addition to its refusal to apply the doctrine of expansion of business to related products, the Eighth Circuit also in effect completely destroyed the doctrine. The Court, wrongly applying the case of *Emerson Electric Mfg. Co. v. Emerson Radio & Phonograph Co.,* 105 F. (2d) 908, held that one may not expand his business to a related field if, prior to the actual expansion, another has entered the expanded field. A reading of the *Emerson* case discloses that the part of it quoted by the Eighth Circuit Court of Appeals related solely to a matter of notice, not to the general doctrine of expansion of business.

The previously applied doctrine is that one may protect his mark against use on related products because he may reasonably be expected to make such products. (Here, the "related products," nursing bottles, actually were being made by petitioner, though not under the disputed trademark. It cannot be denied, therefore, that making nursing bottles is an expected adjunct to making prescription bottles.)

According to the present decision, such protection against invasion in related fields is not possible unless the original owner is actually within those fields. But then, with actual present occupancy, there is no *expansion* of business. In other words, the Eighth Circuit limits recovery to actual *presently* made products.

Under any interpretation of the Eighth Circuit decision, that is destruction of the rule.

This Court has never ruled upon the doctrine of product expansion of business. All of the foregoing citations did apply it, and could not have done so if the rule established in the Eighth Circuit were proper. After years of employing the rule so that commercial and legal practices have been firmly established, it is submitted that, if the rule is to be destroyed, it should be done only by this Court.

To say the least, the state of confusion wherein a trademark owner in St. Louis has one measure of protection against interstate commerce, and has an entirely different one in New Jersey, New York, and other jurisdictions, is one that should be removed.

Point 4.

It is at once apparent that the findings of fact upon which the District Court based its opinion are in direct conflict with the findings upon which the Court of Appeals based its reversing opinion. There is an irreconcilable conflict between the two decisions. But the findings of fact of the District Court in respect to the descriptive properties of the goods and the similarity of the marks involved must be accepted as correct, unless clearly shown to be erroneous.

Rule 52 (a) of the *Rules of Civil Procedure* states in part:

> "* * * Findings of fact shall not be set aside *unless clearly erroneous,* and due regard shall be given

to the opportunity of the trial court to judge of the credibility of the witnesses." (Emphasis added.)

This language is clear and unambiguous.

This Court and the Circuit Courts of Appeals, including the Eighth Circuit up to this time, have been consistent in holding that the findings of fact of the District Court are presumptively correct and should not be disturbed *unless clearly erroneous.*

Adamson v. Gilliland, 242 U. S. 350, 61 L. ed. 356;
U. S. v. United Shoe Machinery Co. of N. J., 247 U S. 32, 62 L. ed. 968;
Cramer v. U. S., 261 U. S. 219, 67 L. ed. 622;
Esso, Inc., v. Standard Oil Co., 98 F. (2d) 1 (C. C. A. 8) 1938;
F. W. Fitch Company v. Camille, Inc., 106 F. (2d) 635 (C. C. A. 8);
Stubnitz-Greene Spring Corp. v. Fort Pitt Bedding Co., 45 USPQ 52 (C. C. A. 6);
United States Industrial Chemical Co. v. Theroz Co., 25 F. (2d) 387, 389 (C. C. A. 4).

In the *Adamson* case, *supra,* this Court said:

"* * * or so far as there is any testimony consistent with the finding, it must be treated as unassailable."

In the *Esso* case, *supra,* a very recent case, the Eighth Circuit Court of Appeals said (p. 4):

"As has already been observed, the lower court found all the material facts in favor of plaintiff. These findings are presumptively correct, and while not conclusive on appeal in an equity suit, they will not ordinarily be disturbed, unless it appears that a serious mistake has been made in the consideration of the evidence, or an obvious error has been committed in the application of the law."

Yet, in the present case, the Eighth Circuit Court of Appeals, *without attempting in any manner to point out the fact that the findings of the District Court were "clearly erroneous,"* reversed the findings of the District Court that had an opportunity to judge of the credibility of witnesses and proceedings.

The Eighth Circuit Court of Appeals reversed the lower court both in respect to the marks and the goods involved here. The Court took its action without in anywise pointing out wherein the findings of the District Court were clearly in error and *in the face of evidence substantiating the findings* of the lower court. In respect to the marks, the Court said (R. 1217):

> "It cannot be said that 'Pyrex' is a colorable imitation of 'Rex.' There is no claim that defendant's trade-mark was not adopted in good faith. In fact, it has neither the appearance nor the sound of 'Rex.' *But regardless of this fact,* defendant's trade-mark is not affixed to products of substantially the same descriptive properties." (Emphasis added.)

The foregoing is all that the Court said in respect to the marks and it is clear that the Court was not convinced of its conclusion in respect thereto, but actually relied upon its conclusion that the goods were not of the same descriptive properties. This point of goods of the same descriptive properties returns us to the two points already discussed which determined the Court's conclusion. We thereby see that the bases of the Court's conclusion are really the two far-reaching rulings respecting the description of goods in the trade-mark registration and the expansion of business doctrine as applied to technical registered trade-marks. The decision cannot be right at all if the two rulings are wrong.

Therefore, in view of *Rule 52 (a)*, the decisions of this Court, the decisions of the Eighth Circuit Court of Appeals

prior to its decision in this case, and the decisions of the other Circuit Courts of Appeal, the Eighth Circuit Court of Appeals is fundamentally in error in reversing the findings of fact of the lower court, which are manifestly not clearly erroneous, particularly when the Court did not point out wherein they are erroneous, and was primarily influenced in its reversal by its novel and unsound rulings in respect to the statement of goods clause in a registration required by the Federal Trade-Mark statute and the doctrine of expansion of business to analogous goods. We submit that this Court should review the rulings of the Eighth Circuit Court of Appeals in respect to the marks and goods involved here.

It is of great significance, even if the Eighth Circuit had not based its ruling upon the erroneous two points of disclaimer and expansion of business, that this Court has never ruled upon the 1905 Trade-Mark Act in respect to the phase of whether goods have "the same descriptive properties." This most vital part of the statute is so widely subjected to a mass of utterly confusing decisions that our eminent opponent, Mr. Edward Rogers, in an article in the *1921 Bulletin* of the *U. S. Trade-Mark Association,* page 51 said:

> "There is no need even to attempt to reconcile the mass of decisions of the Court of Appeals and of the Patent Office on what goods are and what are not of the same descriptive properties. No sane man who values his sanity would try it."

The Assistant Commissioner of Patents referred (23 *Georgetown Law Jour.* 1935, p. 456) to the condition as

> "* * * the extraordinary conflict in the decisions."

A distinguished author (*Nims, Unfair Competition and Trade-Marks,* p. 579) has said of the term "same descriptive properties":

"• • • To the lawyer it is the synonym of confusion: to the layman it is meaningless."

Whatever may be said for the difficulty of applying facts to any rule, there is the legal difficulty that different courts apply wholly different and irreconcilable rules. And, if this Court will ever consent to enumerate which *rule* shall be followed, at least half of the confusion can be eliminated. But, so far, except for one case stating that the statutory phase "same descriptive properties" applies to corporate names (*American Steel Foundries v. Robertson,* 262 U. S. 209, 67 L. ed. 953), which, of course, offers no guide as to what the words mean, this Court has never ruled at all.

The prevailing trend of modern opinion applies the "likelihood of confusion" test.

B. F. Goodrich Co. v. Clive E. Hockmeyer, 40 F. (2d) 99 (C. C. P. A.);
California Packing Corp. v. Tillman & Bendel, 40 F. (2d) 108 (C. C. P. A.);
Mantle Lamp Co. v Aladdin Mfg. Co., 78 F. (2d) 426 (C. C. A. 7);
L. E. Waterman Co. v. Gordon, 72 F. (2d) 272 (C. C. A. 2);
Yale Electric Co. v. Robertson, 26 F. (2d) 972 (C. C. A. 2).

In the *Yale Electric Co.* case, *supra,* the Second Circuit Court of Appeals flatly rejected the test employed herein by the Eighth Circuit that the petitioner's nursing bottles have different descriptive properties from respondent's nursing bottles because they are different in "material, appearance and price." The Second Circuit said (p. 974):

"• • • We cannot say that that is the case here, for the fact that flashlights and locks are made of metal does not appear to us to give them the same descrip-

> tive properties, except as the trade has so classed them. But we regard what the trade thinks as the critical consideration, and we think the statute meant to make it the test, despite the language used."

Of course, the Eighth Circuit test is patently absurd, aside from being untrue as to all except a mild distinction in price. Both petitioner's and respondent's nursing bottles are glass; both look exactly like nursing bottles.

Certain it is that the decision of the Eighth Circuit, if it could possibly be justified on the basis of old decisions, is in conflict with the above recent decisions representing a prevailing trend.

As one eminent text writer (Dr. *Dehrenberg, Trade-Mark Protection and Unfair Trading,* p. 441) has said:

> "It is hoped that the Supreme Court, which has not yet had occasion to express itself on this point, will adopt the view taken of 'descriptive properties' in the 'Yale' decision."

Point 5.

The effect of the important federal questions untenably decided by the Eighth Circuit Court of Appeals is of great public importance and interest.

The Eighth Circuit Court of Appeals' rulings that the description of the goods in the registration is a disclaimer and that the expansion of business to analogous goods doctrine does not apply to a technical registered trade-mark, which are discussed above under Points 1-3, require further discussion on the basis of the fact that they are of great public importance and interest. It requires but a casual consideration of the rulings to show the startling and far-reaching results thereof if sustained as sound.

The Eighth Circuit Court of Appeals' ruling in respect

to disclaimer of *all* goods not specifically stated in the certificate renders registration of a trade-mark a precarious proposition. Furthermore, all of the several hundred thousand registrations now validly existing are literally bound up within the registrations, if the Eighth Circuit Court of Appeals is correct, for the description of the goods upon which the marks have been used tells the world that the registrants disclaim *all* other goods not specifically mentioned. If the Eighth Circuit Court of Appeals' ruling in respect to the expansion of business doctrine being not applicable to registered technical trade-marks be considered with the foregoing, then the line of demarkation is crystallized to the point where all of the registrants have lost their recourse under the same descriptive properties remedial section of the Trade-Mark Act.

Surely, the intent and clear meaning of the Federal Trade-Mark Statute is not that a registrant be penalized, but that he be afforded the protection and remedies so clearly set forth therein. Manifestly, the several hundred thousand registrants that have complied with the Federal Trade-Mark Act did not pay the required fees for the purpose of *eliminating* vital rights and remedies which existed under the common law. Yet, if the rulings of the Eighth Circuit Court of Appeals are sound, that is just exactly what the several hundred thousand registrants have done, for each and everyone is now vulnerable in respect to all goods related to those upon which the marks were registered which are not mentioned specifically in the registration. If the ABC Company has registered the trade-mark "Fabiline" for hats and caps, then today the XYZ Company can, under the rulings of the Eighth Circuit Court of Appeals, register the same trade-mark "Fabiline" for men's shirts, or men's suits, or any wearing apparel, and the ABC Company is without recourse in respect to infringement of its registered trade-mark, which

is, of course, directly contrary to the *Rosenberg* case, discussed *supra*. By the rulings of the Eighth Circuit Court of Appeals, the ABC Company, by its registration, has disclaimed men's shirts, and men's suits, since it only included in its registration hats and caps and, on the other hand, it is barred from invoking the expansion of business doctrine to cover those unspecified goods of the same descriptive properties as hats and caps. The situation is simply impossible.

If the rulings of the Eighth Circuit Court of Appeals are sound, then the owner of a trade-mark will be better off in respect to its rights by refraining from registering it. The Eighth Circuit Court of Appeals made no ruling on a common law trade-mark in respect to the expansion of business doctrine and, therefore, the doctrine still applies to them. Manifestly, the present federal registration statute fails to fulfill its objectives if the court below is correct.

Clearly, therefore, since the aforesaid rulings of the Eighth Circuit Court of Appeals are so fraught with public importance and interest, the petition should be granted so that they may be reviewed by this Court.

CONCLUSION.

In conclusion, therefore, it is submitted that the decision of the Eighth Circuit Court of Appeals, reversing the District Court and contrary to the decision of the Patent Office in the proceedings between these parties, in every phase presents serious conflicts with the accepted interpretation of the Trade-Mark Act of 1905 and its 1906 amendment, and these conflicts represent profound influences on the *Act* itself which has never in any of these respects been subjected to ruling by this Court. The interests both of the petitioner and of the public are involved in the rulings

of the court below. Hence, we urge that this petition for writ of certiorari be granted so that the important questions more particularly touched upon above may be considered and ruled upon by this Court.

Respectfully submitted,

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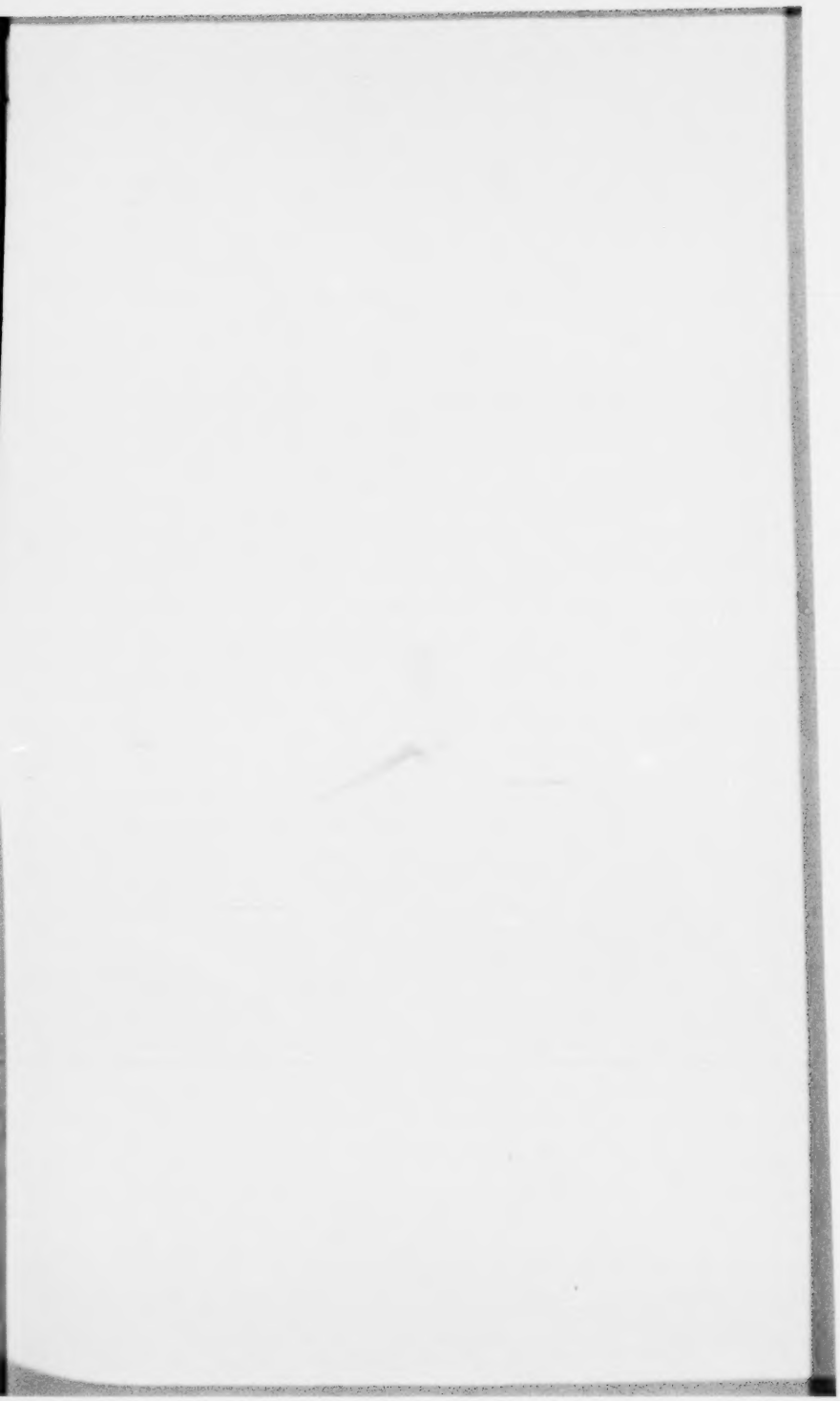

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IN THE

SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1940.

No. 518.

OBEAR-NESTER GLASS COMPANY,
Plaintiff-Petitioner,

v.

WALGREEN DRUG STORES, INC.,
Defendant-Respondent,

and

CORNING GLASS WORKS,
Intervenor-Respondent.

PETITIONER'S REPLY TO ANSWER OF RESPONDENTS.

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We submit that the answer of the respondents to our Petition for Writ of Certiorari is eloquent proof of the soundness of the points advanced in the Petition for granting of the writ. After initially employing the usual stock assertions of a respondent that "no reason is apparent" why the writ should be granted, that "merely an issue of fact" is involved between the parties, and that "no questions of general or public interest" are involved,* the body of the respondents' answer not only fails to substantiate these assertions and to negative the points urged by the petitioner, but actually emphasizes the petitioner's

*With which assertions this Court is doubtless familiar, which it doubtless expects, and which it doubtless peruses with skepticism.

contention that this Court should grant the writ prayed for, as we more particularly point out in the few succeeding pages. After all, from the very realistic standpoint of expense, counsel for petitioner could not permit its client to seek the aid of this Court on grounds so futile as a mere hope that this Court would reverse a purely factual conclusion of the Court of Appeals.

Certainly the Eighth Circuit Court of Appeals has decided issues of fact between the parties, *but manifestly that is the ultimate and not the basic phase of the present controversy.* The basic phase of this controversy is the peculiar law promulgated by the Court of Appeals as a foundation essential to its ultimate conclusions as to descriptive properties and similarity. Without those confusing and conflicting interpretations of the *law*, the conclusions could not have been reached. We attack the *law*, rather than the conclusions. The conclusions will adjust themselves upon application of the proper law.

To illustrate, the Court in effect said: The *law* of physics is that black is a reflection of all color; the *fact* here is that this white material reflects all color; hence, as a *matter of fact*, this white material is black.

Would this Court refuse to hear such a case because the ultimate conclusion was expressed in terms of *fact*, where the conclusion was based upon a glaring error in the law?

Clearly, the ultimate fact issues which affect only the parties hereto could not have been decided as they were had the court below in the first place decided the controlling principles in accordance with the law as it existed theretofore. Those controlling principles enunciated into law affect not only the parties here, but all owners of registered trade-marks.

We pause for a moment to point out that the respondents' allegations of misstatements and untruths are no answer to our urged points. Furthermore, the fact that such "misstatements" and "untruths" are quite ac-

curate and true leads one to believe that the respondents are attempting to circumvent their lack of valid replies to the substance of the petition by such unnecessary tactics. As examples, we stand by the record (pp. 155-186 and 402-404), which is better than any argument, that there *is* evidence of confusion (Ans., Footnote 12, p. 8), and that there was *no hearing* involved in the peculiar procedure by which the respondents obtained from the Court of Appeals a "correction" of the opinion, since a memorandum is no hearing (Ans. 13).

"Petitioner's Point 1" (p. 10).

The first thing notable about the respondents' argument as to Point 1 is that the respondents do not deny that the Court of Appeals established the law of disclaimer in trade-mark registrations, nor that it is new law, but only argue that it is *good* law, and then argue why they consider it good law.

Now, we contend that it is bad law, but most of all we here contend that it is confusing and conflicting law. We hope this Court will decide whether or not it is controlling law, and whether or not the contrary precedents are bad law. But the reason for granting the writ resides in the confusion and conflict in grafting upon a statute thirty-five years old a new restriction, after *every* interpretation, commercial and legal, during the interval, *has been directly contrary.*

The respondents urge that the facts here are unique, but it is significant that they do not point out any specific singular facts to which to tie the broad assertion! Actually, there *is* nothing singular about the present facts.

The respondents contend that in the 1900 registration of REX the petitioner asserted its right to REX for bottles, whereas, in the 1927 registration, the petitioner "limited its asserted right to prescription bottles, omitting any

claim to bottles as a broad class." The respondents go on to say that (p. 11):

> "Under Rule 22-b of the Patent Office, printed on page 19 of Petitioner's brief, the Petitioner here could, in 1927, have claimed Rex as applied to bottles as a class* and could have specified prescription bottles as the particular goods to which the mark was applied. To state it differently, Petitioner in 1927 could have used the exact words for defining the scope of its registration as it used in its 1900 registration."

The respondents predicate their argument on a "state of facts" said to have been clearly in the mind of the Court of Appeals, and upon which it is said to have based its decision relative to petitioner's registration in 1900 and its registration in 1927. *But how could a registration in 1900 under one statute possibly have any proper bearing on a registration under a superseding statute and its amendment not even in existence until five and six years later!*

The petitioner, in 1927, did exactly what the superseding statute of 1905, as amended in 1906, *required* to obtain the registration here at issue, regardless of prior laws now nonexistent relative to its former registration. What it did to obtain this 1927 registration is what *every other registrant has done since 1906.*

In short, there cannot be the slightest doubt that the Court of Appeals applied a disclaimer rule to 1905 registrations generally. The decision expresses no limitations and jeopardizes the effectiveness of *every mark registered under the Act.* Any other assumption leads to an absurdity.

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*Respondents' gratuitous assumption is directly refuted by a decision cited in our main brief. *There is no class of bottles. Ex parte Scurlock Kontanerette Co.*, 37 USPQ 87. Petitioner could not have done other than it did. Note the necessary assumption that the 1906 Amendment is substantive, a violent departure from the uniform practice heretofore that it is procedural only.

Under the 1905 Act and its 1906 Amendment, it is required that an applicant for registration designate one of the formal classifications of the Patent Office, here Class 33, Glassware, and then designate the particular goods within that class upon which the mark has *actually been used.* As our main brief points out, this is a *procedural* ritual, or has been assumed to be, until this decision. An applicant may not create his own classification, as the respondents erroneously (and surprisingly) state in their argument anent "bottles as a class." The *Scurlock* case, *supra,* flatly decides this precise point contrary to the argument. Yet, without that argument, the respondents' entire theory expressed in the paragraph quoted above must fail.

The respondents' argument clearly demonstrates the conflicting result of the Court of Appeals decision, as that decision made the same assumption. There is, therefore, genuine need for a ruling by this Court to unify and to establish a consistent interpretation of the 1906 Amendment, never heretofore considered bv it.

On page 15 of respondents' Answer is stated:

> "* * * for as we have pointed out, there never has been, and probably never will be, a case like this where the registrant on registering his trade-mark voluntarily limits the scope of the description of the goods set out in it, * * *."

The respondents are contending for something which does not exist. There is *no difference* in the manner in which the petitioner complied with the statute in 1927 and the manner in which the respondent Corning and the thousands of others have complied with it.

In the first place, the idea of uniqueness of this alleged disclaimer is defeated by the fact that petitioner's 1927

registration, as do practically all others, follows precisely the form set forth by the Patent Office in its Trade-Mark Rule Book, entitled "United States Statutes Concerning the Registration of Trade-Marks," etc. Petitioner's registration No. 231,759 states:

> "Obear-Nester Glass Company, a corporation * * * has adopted and used the trade-mark shown in the accompanying drawing for PRESCRIPTION BOTTLES MADE OF GLASS, Class 33, Glassware."

Form (C), page 38, of the aforesaid Rule Book, entitled "Petition and statement for a Corporation," includes:

> "*William Johnson Company,* a corporation * * * has adopted and used the trade-mark shown in the accompanying drawing for *canned fruits and vegetables*
> (Particular description of goods)
> in Class 46, Foods and ingredients of foods."
> (Number and title of class—see classification)

The exact form words appeared in the edition made up in 1909 and have continued ever since in the Rule Books. Petitioner followed this form diligently, and so have the thousands of other registrants.

In the respondent Corning's registration No. 190,518 (R. 987), it is stated:

> "* * * Corning Glass Works * * * has adopted and used the trade-mark shown in the accompanying drawing, for NURSING BOTTLES, in Class 44, Dental, medical and surgical appliances."

The Respondents certainly do not claim that the Corning registration No. 190,518 is a "disclaimer type" registration. Yet it is the same as the REX trade-mark No. 231,759. Again, how can the REX registration No. 231,759 be *unique,* as contended by the respondents, when the PYREX registration No. 190,518 is similarly drawn? The PYREX registration No. 115,846 is also similarly drawn (R. 985).

We ask this Court to take judicial notice of several trade-mark registrations which we have selected at random from those found in our office, each of which is drawn in accordance with the required phraseology found in the REX trade-mark No. 231,759. Or *any* trade-mark regis-istration certificates issued under the 1906 Amendment will suffice.

The first of these marks is No. 118,507, registered September 18, 1917, which reads:

> "* * * The Emerson Electric Manufacturing Company * * * has adopted and used the trade-mark shown in the accompanying drawing, for the title of a monthly publication, in Class No. 38, Prints and publications."

Another registration is No. 221,010, registered November 23, 1926, which reads:

> "Murphy Gorman Company * * * has adopted and used the trade-mark shown in the accompanying drawing, for MEN'S SOFT AND VELOUR FELT HATS, in Class 39, Clothing."

Another trade-mark is No. 188,900, registered September 2, 1924, which reads:

> "* * * Rigney & Co. * * * adopted and used the trade-mark shown in the accompanying drawing, for CANDY, in Class 46, Foods and ingredients of foods."

We could multiply to the complete list issued the registrations which fall under the shadow of the decision of the Eighth Circuit Court of Appeals, since they, as the REX registration No. 231,759 (and Corning's), specify the particular goods in accordance with the requirements of the statutes and the rules of the Patent Office. The foregoing, however, are decisive of the point made.

Manifestly, therefore, the respondents' contentions of "uniqueness" in respect to this fundamental point urged by the petitioner are not only without basis whatsoever, but are, in their utter futility, favorable to the petitioner's assertion that the law enunciated by the Eighth Circuit Court of Appeals in respect to trade-mark "disclaimer" is unsound and should be reviewed by this Court in order to clarify the existing confusion. Certainly so complete a metamorphosis in the interpretation of the 1906 Amendment, reversing rules of court, Patent Office and commerce of thirty-four years' standing, should come only from this Court.

"Petitioner's Point 2" (p. 11).

The respondents here advance nothing which is material to the point actually urged by the petitioner, conceding by such failure the pertinence of the point.* The *point* is that the disclaimer rule established in the Eighth Circuit is contrary to the assumptions of long standing amounting to *stare decises.*

The respondents cling to actual deception and conclude that, where no deception in fact exists, the question of the descriptive properties of the goods is irrelevant. This conclusion exhibits an effort to sidestep the point involved, and shows an intentional attempt to confuse an element of certain types of unfair competition with trade-mark infringement. We proved actual confusion, but as this Court knows, likelihood of confusion is sufficient to sustain a holding of trade-mark infringement, which holding must perforce include a consideration of the marks and of the goods as to descriptive properties.

Respondents again harp on their concept of uniqueness of the facts of this case. We shall not restate our answers appearing above, but do again note that the only unique

*Throughout respondents' Answer there is evidence of a policy to avoid statement of the issues and to divert by centrifugal argument.

thing about this case is the novel and strange law established by the Court of Appeals.

It is not our position that other cases have precisely enunciated the rule. It is our position that all other cases have, as necessary to their conclusions, uniformly assumed a contrary rule so that there is a situation of *stare decisis* that should not be suddenly overruled after thirty-four years, other than by this Court.

Respondents do not answer these cases.

Respondents state that "substantially the same descriptive properties" is a "curiously vague term." This apt phrase would not be used if this Court had ever established a meaning to create uniformity out of chaos.

Actually, respondents urge that the courts have established a liberal "common origin" rule, but the whole difficulty here is that the present decision does not by any means apply that rule. Hence, *respondents confirm* our argument of *the conflict* aggravated by this decision.

Manifestly, therefore, the issue can only be resolved by this Court.

"Petitioner's Point 3" (p. 12).

Petitioner's statement of Point 3 involves a deft bit of tangential argument. The point of expansion of business is *not* that it protects *not only* for goods of the same descriptive properties, but *also* for goods as might naturally be supposed to come from the trade-mark owner. The established rule actually is that "goods as might naturally be supposed to come from him" *ipso facto are* goods of the same descriptive properties.

And so *L. E. Waterman Co. v. Gordon*, 72 F. (2d) 272 held. This definitely was a case on a *registered* trademark in direct conflict with the present Court of Appeals' decision.

It is significant that the respondents fail to even mention the case of *Rosenberg Bros. & Co. v. Elliott,* 77 F. (2d) 692 (C. C. A. 3) which, under Point 3, we so carefully pointed out to have been misinterpreted by the Eighth Circuit Court of Appeals. This failure of the respondents is doubly significant when it is appreciated that the *Rosenberg* case was the *only* one upon which the Eighth Circuit Court of Appeals based its ruling that the expansion of business doctrine does not apply to an action of infringement based upon a registered trade-mark. Manifestly, therefore, the respondents now agree with us that the *Rosenberg* case was misinterpreted by the Eighth Circuit Court of Appeals, and that it supports the expansion of business doctrine.

The respondents quote from the Eighth Circuit Court of Appeals opinion which in part reads:

> "So here, the defendant could not certainly, in *face of the declared purpose* of plaintiff to limit its trade-mark 'Rex' to prescription bottles * * * have anticipated that it would begin to manufacture and sell nursing bottles." (Emphasis ours.)

But, the respondents say no limitation is present in the 1900 registration of REX, *which was in force in 1915 when PYREX was first used, 1922 when respondents claim to have started making nursing bottles marked PYREX, and until 1930.* Registration under the 1905 Act was not until *1927!* How could the alleged "declared purpose * * * to limit" in the *1927* registration affect the respondents' actions of *1915 and 1922?* The point but further emphasizes the unsoundness of the foundation of the decision and respondents' position.

Further smoke screen tactics in respect to Point 3 include the respondents' statement (p. 14) that the

> "* * * petitioner seeks to differentiate (page 29) the Emerson case on the ground that that case 'related solely to a matter of notice' * * *."

Turning to page 29 of the petitioner's brief, there is found that the point of notice referred to a particular *part* of the *Emerson* decision quoted by the Eighth Circuit Court of Appeals. Basically, the *Emerson* case is distinguished in that it went off on the point of *unfair competition*, the plaintiff there being *denied* a technical registered trademark status in its mark. We wonder at the respondents' reliance on the *Emerson* case in view of their objection to unfair competition decisions!

Manifestly, therefore, the petitioner's third point is sound, and the ruling of the Eighth Circuit Court of Appeals in respect to the expansion of business doctrine requires review by this Court to clarify the issue, and to eliminate the conflict with the cases in other circuits such as the Second and Third.

"Petitioner's Point 4" (p. 14).

Since the respondents fail to attack the substance of our point and only announce that it "must, therefore, be assumed that the" Eighth Circuit Court of Appeals found mistakes of fact, extended comment is unnecessary. However, we point out that any facts "established either by admissions or by undisputed testimony" were certainly before the District Court to achieve such status. And we reiterate that the reversal of the ultimate and allegedly fact issues of the District Court upon a basis of manifestly unsound law comprises an aggravated case of disregard of the rule that the fact findings of a district court are to be accepted as correct unless clearly erroneous.

Clearly, therefore, only a ruling by this Court can clarify the issue and define the correct rule.

"Petitioner's Point 5" (p. 15).

The point advanced here by the respondents of the uniqueness of the petitioner's 1927 registration of REX has been treated under the discussion of "Petitioner's Point 1," *supra*. We repeat here that there is nothing singular about the REX registration No. 231,759. It includes merely a compliance with the requirements of the statutes and the Patent Office rules. The several hundred thousand other registrations and it are on a common plane. The respondents insist that the petitioner has disclaimed in its trade-mark No. 231,759. Can there be any other conclusion but that the several hundred thousand other registrants, including the respondent Corning, have disclaimed in respect to their trade-marks?

Surely, the respondents' own assertions in respect to the alleged disclaimer in the petitioner's trade-mark 231,759 gives added impetus to the petitioner's assertion that the novel law instituted by the Eighth Circuit Court of Appeals in respect to disclaimer in a trade-mark is affected with a public interest and should be reviewed by this Court. Similarly, the respondents' failure to fundamentally attack the petitioner's assertions in respect to the Eighth Circuit Court of Appeals' refusal to apply the expansion of business doctrine to registered trade-marks accentuates the petitioner's position that this point likewise is affected with a public interest and should be reviewed by this Court.*

Conclusion.

We submit, therefore, that the respondents' answer strengthens rather than weakens our petition, and emphasizes that the fact issues decided by the Eighth Circuit Court of Appeals upon which the respondents rely are

*We refrain from answering respondents' peroration on the merits of the case. We feel that any such argument would be improper at this time.

secondary to and dependent upon the law of the case which the Eighth Circuit Court of Appeals has decided so contrary to existing law. When the fundamental law of the case is correctly defined, then, and only then, can the superstructure issues of fact be properly decided.

We again urge that the petition for certiorari be granted.

Respectfully submitted,

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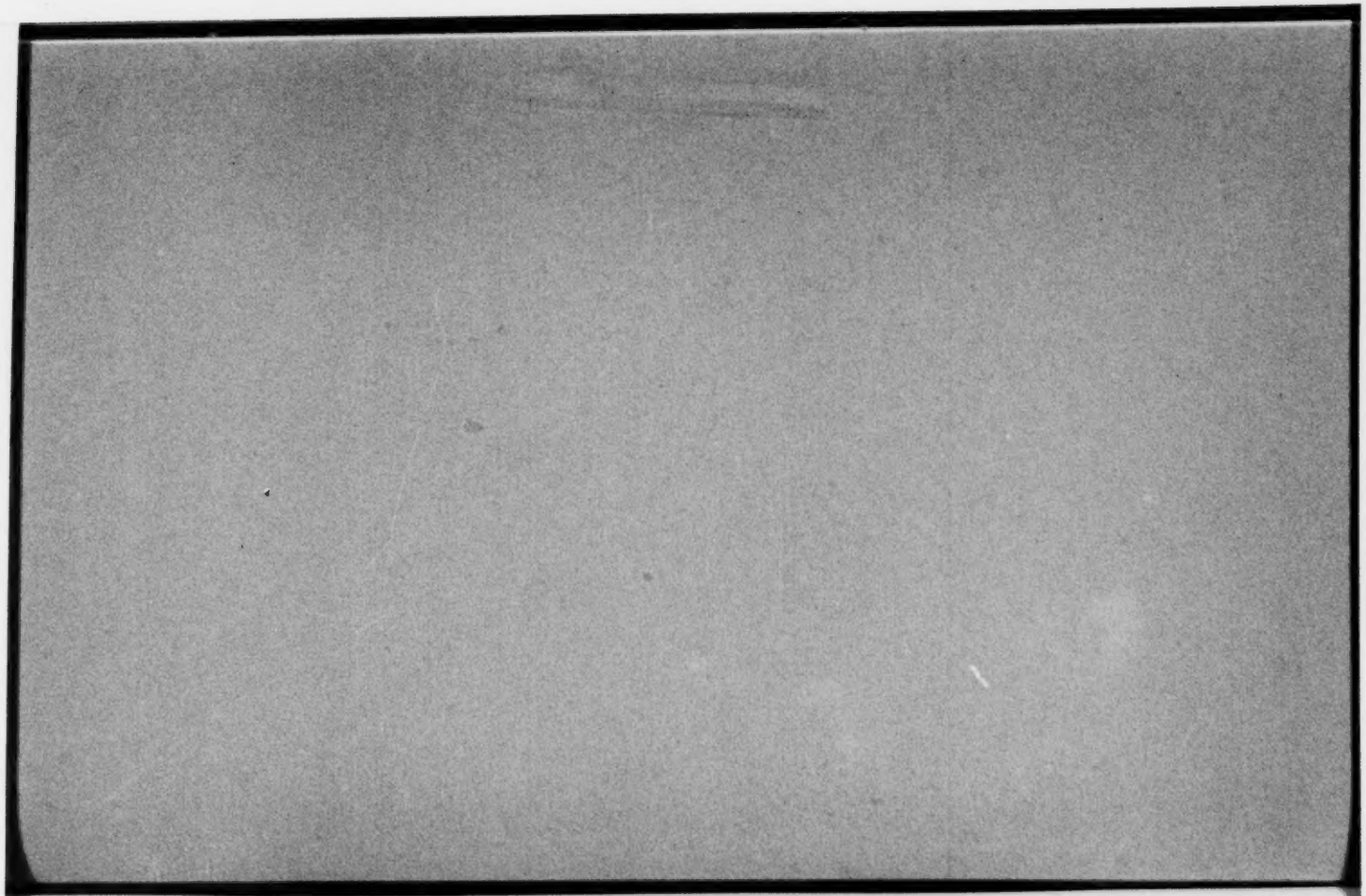

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To the Honorable The Chief Justice and the Associate Justices of the Supreme Court of the United States:

Manifestly, in our petition for writ of certiorari to the Eighth Circuit Court of Appeals and in the supporting briefs, we have failed to bring out those errors and inconsistencies of law in the decision of the Eighth Circuit Court of Appeals which are prejudicial to the petitioner, to all other registered trade-mark owners, and to the public, in the Eighth Circuit, and elsewhere, and which appear to so urgently require the consideration of this Court. We do not know why our petition for writ of certiorari was denied, but presumably we did not get across to the Court the grave fundamental points of federal trade-mark law and the other points which are involved here.

We earnestly urge this Court to carefully consider the following few pages, for we sincerely believe that the essence thereof will focus the points involved to present to this Court the inequitable and hopelessly confusing situations which the decision petitioned from creates. And we hasten to assure the Court that we are not in the position of one who fails to see the forest because he is standing so close to the trees.

Certainly our petition for writ of certiorari to the Eighth Circuit Court of Appeals is not purely altruistic, but neither is it solely selfish. We are not asking this Court only to rule that the trade-marks involved are confusingly similar and that the goods on which the marks are used are of the same descriptive properties. By our petition, fundamental points of federal trade-mark law are submitted, *fundamental points upon which the ultimate fact rulings of the Eighth Circuit Court of Appeals are based.* Therefore, there are involved, *first,* the legal questions vitally important to the public, to all other owners of registered trade-marks, and to the petitioner, and, *second,* the fact questions of more limited importance to the parties.

Mere Academic Questions Are Not Involved.

And neither are the questions presented by the petitioner merely academic in their relation to the ultimate outcome of the present case. A clarification of the concerned rules of trade-mark law holding the law of the nine other circuits to be ruling authority must necessarily result in a reversal of the *fact conclusions* of the Eighth Circuit Court of Appeals by that tribunal itself.

It must be borne in mind that the Eighth Circuit Court of Appeals *specifically limited* the petitioner's *registration and right to redress to prescription bottles which the respondent Corning does not make!* Immediately, under such a ruling, the petitioner has no case. With this unnatural

restriction justly removed, and only this Court can remove it, then the goods and marks involved must and will be viewed from a different and the correct angle.

Hence, it is plain to see that the petitioner seeks a reversal as an inevitable result of this Court's definition of the federal trade-mark law involved.

Being a Trade-Mark Infringement Suit, the Involved Subject Matter Can Never Be Presented to This Court at a Later Date.

Before again pointing out the errors of law which we so earnestly believe should be ruled upon by this Court, attention is directed to the fact that unless this Court grants the petition, the petitioner, as a practical proposition, is forever barred from presenting the questions involved to this Court. There exists no *real* possibility of obtaining a conflicting decision from another Circuit Court of Appeals on the same subject matter, for this is a trade-mark infringement suit and not a patent suit. The petitioner cannot bring suit against another infringer using the mark employed by the respondent Corning since none exists, and, of course, it cannot institute proceedings against the respondents in another Circuit. We know of no other infringing mark.

This Court has reviewed very few trade-mark infringement decisions, a main reason being, manifestly, that there *is no real possibility* of obtaining conflicting decisions from different Circuit Courts of Appeals in regard to a plaintiff's trade-mark, as there is in respect to a plaintiff's patent. The validity of the trade-mark is seldom in serious debate. Certainly, this limitation in trade-mark suits should be given grave consideration by this Court, and, in view of its existence, more serious consideration should be accorded accepting the questions here presented.

On May 31, 1938, this Court granted a writ of certiorari

to the Sixth Circuit Court of Appeals in the case of *Schriber-Schroth Co. v. Cleveland Trust Co. and Chrysler,* 305 U. S. 47, 83 L. ed. 34, upon a *second petition for rehearing* filed by the petitioner in which the main and really *only* point advanced was the fact that the location of by far the greater part of the automotive industry within the Sixth Circuit established such a favorable situation for the plaintiff that as a practical matter there would be no suit on the validated patents outside the Sixth Circuit, and, therefore, no opportunity for a decision upon the validity of the patents in another circuit. There were involved both the personal interest of the petitioner and the interest of the public in regard to the patents at issue.

Surely, more fundamental legal questions of concern to thousands of *directly* interested parties are involved in the present trade-mark controversy, and this, also, is one that will never be reviewed by this Court unless the petition is granted *now*. As far as the legal questions are concerned, there is no reason to expect this Court to accept the next petition from the Eighth Circuit if the present one is refused. As it did in the *Schriber-Schroth* case, so here the Court should consider the fact that if it refuses to grant the petition it closes the door of review permanently to the petitioner, and, in effect, to all other owners of registered trade-marks and to the public.

We urge, therefore, that since there is no possibility of obtaining conflicting decisions of Circuit Courts of Appeals, this Court, as it did in the *Schriber-Schroth* case, should give the fact great weight, and again consider the conflicting federal questions presented by our Petition with a view to allowing the writ. Clearly, the petitioner is in no weaker position than was the defendant-petitioner in the *Schriber-Schroth* case!

The Disclaimer Ruling, Which Violates Stare Decisis and Does Violence to the Trade-Mark Acts.

The Eighth Circuit Court of Appeals has established for the Eighth Circuit the rule that the description of particular goods in a trade-mark registration as required by the May 4, 1906, amendment to the *Federal Trade-mark Act of 1905* is a *disclaimer of all other goods not specifically enumerated*, which is contrary to the words and clear intent of the Acts, is contrary to the accepted law of the other nine circuits that the requirement is merely procedural, and is contrary to the rule obtaining theretofore in the Eighth Circuit.

There is involved here, therefore, a conflict on a fundamental point of trade-mark law between the Eighth Circuit and the nine other circuits, a point involving interpretation of a federal statute. As we have emphasized above, there can never exist a *direct* conflict between circuits *on this case itself*, since there is no possibility of a readjudication of the present controversy in whole or in part.

We reiterate that there is nothing unique about the 1927 registration of REX (R. 69). On pages 5 through 8 of the "Petitioner's Reply to Answer of Respondents" this fact is conclusively clarified. It is just like any other registration under the 1905 Act, being drawn in conformity with the recommended form provided by the Patent Office. Again we urge the Court to compare the petitioner's 1927 Registration with *any* other registration under the 1905 Act as amended. There is no difference in form.

No, there is nothing unique about the petitioner's 1927 Registration, nor does the Eighth Circuit Court of Appeals say there is. The respondents advance this peculiar argument in an effort to make this Court believe that the decision of the Eighth Circuit Court of Appeals applies only to the present case. Surely, this Court can see that the disclaimer ruling is not local, but is general, particularly after

comparing the petitioner's 1927 Registration with any other 1905 registration and reading the words of the court.

For emphasis we requote from the decision of the Eighth Circuit Court of Appeals, which, in respect to the disclaimer doctrine enunciated, said (R. 1212):

> "* * * The registered trade-mark is limited by its claim, and the applicant is concluded by his statement made a part of his application."

and (R. 1219):

> "So here, the defendant could not certainly, in face of the declared purpose of plaintiff to limit its trade-mark 'Rex' to prescription bottles, and its conduct in limiting its products to such bottles, have anticipated that it would begin to manufacture and sell nursing bottles." (Emphasis supplied.)

How can the petitioner, or any other registrant, be guilty of a "declared purpose * * * to limit its trade-mark" when all that has been done is to comply with the manifest procedural requirements of the Trade-Mark Act as amended, the amending act of May, 1906, reading in part:

> "On a single application * * * the trade-mark may be registered * * * for any or all goods upon which the mark has actually been used comprised in a single class of merchandise, provided the particular description of goods be stated,"

and rule 22 (b), which reads in part:

> "* * * the class of merchandise (according to the official classification), and the particular description of goods comprised in such class upon which the trade-mark has actually been used, * * *"?

Such a ruling does violence to the manifest words and intent of the Trade-Mark Act of 1905 as amended.

Yet the Eighth Circuit Court of Appeals by its above-

quoted language has declared that in the Eighth Circuit the particular description of goods now is a *disclaimer* of *all* other goods not specifically mentioned. Great confusion and grave injustice will flow from the decision because a registrant will get a procedural interpretation of its registration *in all circuits save the Eighth*, yet in the Eighth Circuit it will have its registration restricted in accordance with the disclaimer rule of the present case. Numerous inequitable situations are easy to conceive.

This Court granted a writ of certiorari in the case of *Armstrong Paint & Varnish Works v. Nu-Enamel Corp.*, 305 U. S. 315, 83 L. ed. 195, one of the *very* few trade-mark cases accepted in recent years, *to interpret the Trade-Mark Act of 1920*, stating (p. 322):

> "* * * We granted certiorari on account of the importance in trade-mark law of the issues of the descriptive character of the mark and the effect of its acquired meaning under the Trade-Mark Act of 1920. 305 U. S. 580, post, 365, 59 S. Ct. 64."

Certainly, the Trade-Mark Act of 1905, as amended, is *by far* the more important of the two acts. And, in the present case, a *destructive* interpretation has been grafted on the Trade-Mark Act of 1905, as amended, which the Seventh Circuit Court of Appeals had *not* done to the Trade-Mark Act of 1920! We submit that the acceptance of the *Nu-Enamel* case is conclusive that the present case should also be accepted.

In accordance with the words and clear intent of the Trade-Mark Act of 1905, as amended, the nine other Circuit Courts of Appeals have always accepted the particular description of goods in a trade-mark registration as procedural. We have found no contrary ruling, and the respondents have cited none. For thirty-four years there

has not been an adverse ripple in the great lake of decisions until now. Several of the well-known cases exemplifying the accepted procedural rule are:

Rosenberg Bros. & Co. v. Elliott, 7 F. (2d) 962 (C. C. A. 3);
Mantle Lamp Co. v. Aladdin Mfg. Co., 78 F. (2d) 426 (C. C. A. 7);
Waterman Co. v. Gordon, 72 F. (2d) 272 (C. C. A. 2);
Duro Co. v. Duro Co., 27 F. (2d) 339 (C. C. A. 3).

By its disclaimer ruling the Eighth Circuit Court of Appeals has flatly contradicted *stare decisis*, and is in *direct conflict with the nine other Circuit Courts of Appeals* on the point.

Manifestly, only this Court can correctly interpret the Trade-Mark Act of 1905, as amended, for the Eighth Circuit Court of Appeals, to place the present decision in accord with all others, so that trade-mark infringement plaintiffs in the Eighth Circuit may have the same rights as they would have in any of the other circuits.

Refusal to Apply the Expansion of Business Doctrine to Registered Trade-Marks.

The Eighth Circuit Court of Appeals refused to apply to technical registered trade-marks the doctrine of expansion of business to related products. To requote, that court said (R. 1218):

> "It is urged by plaintiff that under the doctrine of expansion of business it is entitled to an unhampered use of its trade-mark 'Rex' on products normally considered as of its manufacture. As has already been pointed out, plaintiff's suit is based upon an alleged *infringement of a registered trade-mark*. The bill contains no averments of unfair competition, nor, indeed,

> is it alleged that purchasers are deceived into buying the products of defendant in the belief that they come from plaintiff. *It is doubtful whether the doctrine of expansion of trade is applicable in a case of alleged infringement of a technical registered trade-mark. Rosenberg Bros. & Co. v. Elliott,* 3 Cir., 77 F. (2d) 692." (Emphasis added.)

Again we point out that the ruling is *not* supported by the *Rosenberg* case, and that the Eighth Circuit Court of Appeals misapprehended the opinion, with which the respondents *now* agree, as is evidenced by their failure to challenge this position, or even mention the *Rosenberg* case, in their Answer to our Petition and Brief. We refrain from quoting at length from the *Rosenberg* case, but request the Court to read the excerpts on pages 26 and 27 of our Petition and Brief and to read the case, for it *specifically analyzes the expansion of business doctrine in connection with technical registered trade-marks and applies it!*

The ruling of the Eighth Circuit Court of Appeals is in direct conflict with the decisions of the nine other Circuit Courts of Appeals. We have found no decision, and the respondents have cited none, in which the expansion of business doctrine has been refused *solely because the mark sued on was a technical registered trade-mark!* Manifestly, the doctrine has been refused where the facts did not support it, but *never before,* in our knowledge, because there was involved a technical registered trade-mark.

In addition to the *Rosenberg* case, other decisions accepting the expansion of business doctrine and establishing *stare decisis* are:

> *Aunt Jemima Mills Co. v. Rigney & Co.,* 247 F. 407 (C. C. A. 2);

Landers Frary & Clark Co. v. Universal Cooler Corp., 85 F. (2d) 46 (C. C. A. 2);
Pocono Rubber Cloth Co. v. Livingstone, Inc., 79 F. (2d) 446 (C. C. A. 3);
Mantle Lamp Co. v. Aladdin Mfg. Co., 78 F. (2d) 426 (C. C. A. 7);
Cf. Hydraulic Press Brick Co. v. Stevens, 15 F. (2d) 312 (C. C. A. 5);
Cluett, Peabody & Co. v. Wright, 46 F. (2d) 711 (C. C. P. A.);
Simplex Electric Heating Co. v. Gold Car Co., 43 App. D. C. 28.

Again we inquire, what basis has the new discriminating expansion of business rule of the Eighth Circuit Court of Appeals? No plausible *reason* can be advanced for thus depriving a technical registered trade-mark of this valuable accepted test, and the Eighth Circuit Court of Appeals gave none, merely citing the *Rosenberg* case, which, contrary to that court's belief, *actually supports the application of the rule to a technical registered trade-mark case*, as we have so clearly demonstrated in our Petition and Brief, pages 26-28.

Manifestly, therefore, only this Court can give to trade-mark plaintiffs in the Eighth Circuit the right to have the expansion of business doctrine applied to their technically registered trade-marks.

Disclaimer and Refusal of Expansion of Business Doctrine Combine to Emasculate a Registered Trade-Mark.

By the rulings of the Eighth Circuit Court of Appeals, a registered trade-mark in the Eighth Circuit is narrowed to such a great extent that registration becomes a definite liability. In the Eighth Circuit, a registrant is now placed at a distinct disadvantage; an owner of an unregistered trade-mark is in a position superior to that of such reg-

istrant. Surely the Trade-Mark Act of 1905 as amended was not enacted to *defeat* trade-mark rights!

Witness the results as exemplified by the present case. In the petitioner's 1927 registration the particular goods clause enumerates prescription bottles. By the Eighth Circuit Court of Appeal's rulings, the petitioner has *disclaimed* all other goods, *even other kinds of bottles,* and is precluded from the application of the expansion of business doctrine because the trade-mark is registered! If the petitioner's mark were *not* registered, then there would be no disclaimer and the expansion of business doctrine would attach. The petitioner's registered trade-mark was held *not* to extend to *other glass bottles* manufactured and sold by the respondents. Hence, the present case is not what *might* happen; it is what has *already* happened under the aforesaid rulings!

How is a registrant in the Eighth Circuit ever going to secure the benefits of *Sections 96 and 99 of the U. S. Code, Title 15* (Our Petition and Brief, pages 14 and 15), unless the goods sold are identical? The rulings of the Eighth Circuit Court of Appeals strike "merchandise of substantially the same descriptive properties" from remedial section 96. In the Eighth Circuit, the owner of the registered trade-mark "Oomp" for canned beans cannot stop use by another of the same mark "Oomp" on canned beets, where the registration enumerates only "canned beans" as the particular description of goods! And a third party could use "Oomp" on canned corn. Confusion would flow unchecked.

Then consider the case where the Dee Corporation owns the registration of the trade-mark "Oomp" in which the particular designation of goods is canned beans, and sells canned beans so marked throughout the United States. In

St. Louis, Missouri, the Eee Corporation subsequently sells canned beets under the mark "Oomp"; and about the same time the Fee Corporation begins to sell canned corn in East St. Louis, Illinois, bearing "Oomp" as the trade-mark. The inevitable results of registered trade-mark infringement suits by the Dee Corporation conclusively prove the legal conflict and confusion that now exist since the decision petitioned from, for in East St. Louis, Illinois (Seventh Circuit), the Dee Corporation *can* successfully enjoin the use of "Oomp" on canned corn by the Fee Corporation (*Mantle Lamp Co. v. Aladdin Mfg. Co.*, 78 F. [2d] 426 [C. C. A. 7], and other cases), yet in St. Louis, Missouri (Eighth Circuit), the Dee Corporation *cannot* enjoin the use of "Oomp" on canned beets by the Eee Corporation (*Corning et al. v. Obear-Nester*, 113 F. [2d] 956 [C. C. A. 8])!

Such examples of legal conflict and confusion can be multiplied, but surely the foregoing suffice.

Maybe this Court will say that the Dee Corporation's predicament can be considered when it arises, but we answer that the case *has* arisen, and that the role of the Dee Corporation is filled by the petitioner, for the petitioner stands barred by the rulings of the Eighth Circuit Court of Appeals and the confusing conflict *now exists*. In the Eighth Circuit the petitioner is restricted by the new rules of the Eighth Circuit Court of Appeals, yet in the Seventh Circuit no such restrictions exist. The conflict of the law is very much with us; as a practical fact, however, there is no defendant in the Seventh Circuit, or any of the other circuits, so that a second actual suit cannot materialize, and hence we turn to the *Schriber-Schroth* case, *supra*, where this Court accepted a patent case because as a practical matter there could be no actual conflicting decisions.

Only this Court can reestablish in the Eighth Circuit

the sound rules which obtained prior to the present decision, and which obtain in the nine other circuits.

The Interests of All Owners of Registered Trade-Marks and of the Public Are Involved Here.

The interests of *all* owners of registered trade-marks and of the public are manifestly directly affected by the aforediscussed rulings of the Eighth Circuit Court of Appeals.

No registration enumerates *all* of the goods of a particular class. Heretofore registrants have relied upon the *procedural* rule of designation of particular goods and on the expansion of business doctrine to give due protective latitude to their registered marks, rules which attach in the nine other circuits, but which are no longer applicable in the Eighth Circuit. And as a practical matter, registered trade-mark owners are powerless to repair the vulnerable hole which the present law in the Eighth Circuit has made in the protective coat.

A single simple illustration suffices to show the gross inequities which will inevitably arise. The A. B. C. Corporation uses the registered trade-mark "Tops" on coffee, canned tomatoes and canned corn, and owns the registration certificate for "Tops," in which the "particular description of goods" is stated as coffee, canned tomatoes and canned corn. Sales of the products have been made throughout the United States, including the states comprising the Eighth Circuit, for a number of years, the excellence of the products having created a valuable good will. In 1941 into the food field comes the X. Y. Z. Corporation, which, in good faith, sells in Missouri and Iowa canned beans, canned peas and canned beets under the

mark "Tops," there being no simulation of the A. B. C. Corporation's label.

Now, then, what recourse has the A. B. C. Corporation for trade-mark infringement on its registered trade-mark "Tops" under *U. S. Code, Title 15, Sections 96 and 99* (Petition and Brief, pages 14 and 15)? The answer is, None! The X. Y. Z. Corporation does business *only* in Missouri and Iowa, both in the Eighth Circuit. And in the Eighth Circuit the A. B. C. Corporation has *disclaimed all goods except coffee, canned tomatoes and canned corn!* Also, the expansion of business doctrine does not apply to registered trade-marks in the Eighth Circuit. Therefore, the X. Y. Z. Corporation can continue to sell its aforesaid goods in Missouri and Iowa with impunity, and the A. B. C. Corporation is powerless to exert the statutory rights which attach in the nine other circuits!

The final result is complete destruction of the registered trade-mark in the Eighth Circuit, since other companies will use "Tops" for *other* goods of the same descriptive properties as those of the A. B. C. Corporation, such as canned asparagus, canned squash, etc., for the Eighth Circuit Court of Appeals has reduced "same class" and "same descriptive properties" to "*same article,*" thereby in practical effect destroying *all* protective latitude of a registered trade-mark. How can the mark survive?

Under such circumstances which will inevitably arise from the rulings of the Eighth Circuit Court of Appeals, the purchasing public will be utterly confused. It will be sold substitutes for old line trade-mark products, intentionally and unintentionally. There is no escape from this unhappy result as long as the rulings of the Eighth Circuit Court of Appeals remain in effect.

Probably this Court will say that it does not treat future cases, but to this we reply that what we have pointed out as impending for *all* registered trade-mark owners *has happened to the petitioner as the first sufferer under the new rules in the Eighth Circuit!*

And maybe this Court will say that such harsh cases can be ruled upon by it when they arise, but to this we reply that the *present case* is a harsh one, and ask how another registered trade-mark infringement suit of a similar nature can reach this Court when the present case is denied a hearing. Our hypothetical set of facts but conclusively demonstrates the absurd inequities of the new rules of the Eighth Circuit, and forecasts coming events.

Only this Court can disperse the dark clouds under which the registered trade-marks of all owners now labor in the Eighth Circuit, and, therefore, it should grant the petitioned writ so as to clarify the situation *now* before other owners suffer the inevitable consequences of the new rules and the public is completely confused.

The Fact Questions.

It seems unnecessary to go far into the fact questions again, for if this Court will not grant the petition upon the important conflicting legal rulings and statutory interpretations of the Eighth Circuit Court of Appeals, then it certainly will not grant it upon a mere fact basis. On pages 30-35 of our Petition and Brief the fact situation and related matter are carefully discussed.

In the first part of this petition for rehearing we point out that a decision by this Court reversing the new rules of the Eighth Circuit Court of Appeals to align the law of the Eighth Circuit with the law of the nine other cir-

cuits must necessarily result in a reversal of the fact rulings by the Eighth Circuit Court of Appeals itself. We reiterate that manifest necessity. And this Court can itself readily reestablish the proper fact rulings, in which case it would be in accord with the majority of tribunals which have heretofore ruled upon the questions, for both the Examiner of Interferences and the District Court have held the marks of the parties confusingly similar and the goods to which such marks are applied to be of the same descriptive properties.

Further, surely this Court will not close its eyes to the fact that two out of the three tribunals have ruled favorably to the petitioner on *all* points, and that the dissenting tribunal made no effort or pretense in its decision to comply with the established law that the "Findings of fact (of a lower court) shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses" [*Rule 52 (a)* of the *Rules of Civil Procedure*].

Conclusion.

The tremendous impact of the rulings of the Eighth Circuit Court of Appeals is manifest when, in the light of the foregoing, it is fully appreciated that literally millions of kinds of articles bearing a trade-mark, registered or potentially registerable, are sold in the Eighth Circuit today. *And* under the rulings of the Eighth Circuit Court of Appeals, *every kind of article* can bear the *same mark* and be manufactured and sold by a different company!

In view of the manifest importance to the public, to other registered trade-mark owners, and to the petitioner of the questions involved here, we earnestly submit that this Court should grant the petition and issue a writ of

certiorari to the Eighth Circuit Court of Appeals. Surely, now is the time to set aright the law of the Eighth Circuit, for to wait is to condemn the petitioner to the shackles of the new rules, is to permit time and the new rules to work against the other owners of registered trade-marks, and is to allow the public to become hopelessly confused.

Respectfully submitted,

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St. Louis, Missouri,
December 9, 1940.

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CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1940.

No. 518

OBEAR-NESTER GLASS COMPANY,
Plaintiff-Petitioner,

against

WALGREEN DRUG STORES, INC.,
Defendant-Respondent,

and

CORNING GLASS WORKS,
Intervenor-Respondent.

ANSWER OF RESPONDENTS TO PETITION FOR WRIT OF CERTIORARI

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November 6, 1940.

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No reason is apparent to us why the Court should grant the Writ in this case. In spite of Petitioner's intimations to the contrary, the Circuit Court of Appeals decided merely an issue of fact between the parties to this litigation. There are involved no questions of general or public interest.

(NOTE: The footnote references in the quotations are not in the original Opinion but are added by us.)

The Proceedings

The act of which Petitioner (Plaintiff below) complained was the sale at St. Louis by the Walgreen Drug Stores of "glassware including bottles" made by the Corning Glass Works, to which was applied Corning's registered trade-mark "Pyrex."[1] The Corning Glass Works intervened

[1] No. 115,846, March 13, 1917 for "glass" and No. 190,518, October 14, 1924 for "nursing bottles" (Rec. 513, 531).

and assumed the defense. The only act proved was the sale by Walgreen of nursing bottles of Corning's manufacture bearing Corning's "Pyrex" trade mark. It was averred that this was an infringement of Petitioner's registration No. 231,759 of August 23, 1927[2] for the word "Rex" written in script for "prescription bottles made of glass". An interlocutory decree for injunction was issued by the District Court (R-1108) perpetually enjoining Respondents from using "Pyrex" upon "glassware" anywhere in the United States and for an accounting resulting from Corning's use of "Pyrex" on glassware of all descriptions.

The District Court wrote no opinion.

The Circuit Court of Appeals reversed and directed dismissal of the complaint (113 Fed. (2d) 956).

Plaintiff's "Rex" as registered for prescription bottles and Corning's "Pyrex" as used on the alleged infringing article are as follows:

as it appears in Petitioner's Registration

as it appears on the Corning nurser.

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[2] Rec. 69.

The Facts

The Circuit Court of Appeals thus stated the facts as to Corning's use of "Pyrex" (Rec. 1208):

> "The Corning Glass Works had, prior to 1915, perfected a manufacturing process by which it produced a special quality of glass which resists temperature changes and other shocks. The name 'Pyrex' was applied to that glassware in 1915. The word has its origin in the Greek word 'pyr' meaning fire, and the Latin word 'rex', meaning king. Corning had theretofore applied the terms 'Nonex' and 'CRX' to glass of this character as indicative of its non-expansion qualities. Upon the adoption of the trade-mark 'Pyrex,' Corning applied it to many articles of glassware it was manufacturing, including all kinds of cooking utensils. It began the manufacture of laboratory equipment made of its heat-resisting glass and applied to that equipment the mark 'Pyrex.' Later, it manufactured electrical glass, such as insulators, industrial ware, such as pulleys for machinery, vacuum bottles, and many other articles of general as well as technical use. It manufactured a two-hundred inch telescope mirror disc for the California Observatory from its Pyrex glass and applied the name to the product. It manufactured the Mount Palomar two hundred-inch telescope mirror from its glass and applied the mark 'Pyrex' to that product. It has spent millions of dollars[3] advertising products of its manufacture from Pyrex glass as having peculiar heat-resisting qualities and characteristics not possessed by ordinary glass. The name 'Pyrex,' subsequent to 1915 and prior to 1922, became known throughout the country almost as a household word indicative of the products made of a particular kind of heat-resisting glass.[4] The name 'Pyrex' has been

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[3] The Record (748) shows an expenditure of $2,752,803.99 to 1930 when Petitioner first notified Corning as to the alleged infringement (Rec. 73, 111).

[4] Sales during the same time amounted to $35,930,093 (Rec. 741).

so thoroughly established as describing a heat-resisting glass that the late edition of the Merriam-Webster International Dictionary, Unabridged, contains the following definition:

> "'Py' rex (pi' reks) (Gr. Pyr. fire—L. rex king). A trade-mark applied to a variety of glasses and glassware usually resistant to heat, chemicals or electricity; hence (sometimes not cap.), glass or glassware bearing this trade-mark,—py' rex, adj.'

> "Corning has never at any time manufactured or sold prescription bottles, but in 1922, it began the manufacture of a nursing bottle made for the purpose of permitting the heating of infants' food in the bottle without injury to the container. It applied the mark 'Pyrex' to that product. In 1924, it obtained a certificate of registration of the trade-mark 'Pyrex' applied to nursing bottles. It manufactured and sold many thousands of these bottles between the years 1922 and 1928, the bottles all being labeled 'Pyrex Nursing Bottle,' and sold as such."

The history of plaintiff's use of "Rex" is thus stated by the Court of Appeals (Rec. 1208):

> "The plaintiff has never manufactured any glassware other than bottles. For many years subsequent to January 2, 1896 it applied the trade mark 'Rex' only to prescription bottles sold to druggists for that specific use."

It is apparent that "Rex" in script, as it appears in Petitioner's registration, is only a slight modification of the commonly used symbol "Rx", meaning prescription, and that a prescription bottle is nothing but a container used by the druggist to hold medicine sold by him.[5] It is a one-use article and nothing more, being in this respect like a bag to hold groceries. The bottle is sold by the wholesale druggist, or jobber, to the dispensing druggist. This sale ends the trade mark use of any maker's mark upon

[5] Record, page 959.

the bottle because it is not sold by the druggist as a bottle.[6] Even if the bottle carries a trade mark that fact means nothing to the purchaser of the medicine; it does not indicate to him the maker of the bottle; he does not care who made it. He is not interested in its trade name. He uses the bottle but once and knows it only as a container for its contents, and not as a separate commodity.

The Court thus continues its discussion of the "Rex" history:

> "For a short time prior to 1919, the mark 'Rex' was applied to liquor bottles, but this use was discontinued in 1919 and has never been resumed. At the time plaintiff procured its certificate of registration for the trade-mark 'Rex', October 23, 1900,[7] it stated that, 'The class of merchandise to which this trade-mark is appropriated is bottles, and the particular description of goods comprised in said class upon which the trade-mark is used is prescription bottles. * * * When it applied to re-register the trade-mark on April 25, 1927, it stated in its application as follows: 'Be it known that Obear-Nester Glass Co., a corporation * * *, has adopted and used the trade-mark shown in the accompanying drawing, for PRESCRIPTION BOTTLES MADE OF GLASS, Class 33, Glassware.' From the date of the first registration of its trade-mark until 1928, with the exception of the application to liquor bottles, plaintiff has never at any time applied the mark 'Rex' to anything other than prescription bottles" (Rec. 1208).
>
> * * * * * *
>
> "It was not until 1928 that plaintiff applied its trade-mark 'Rex' to nursing bottles. These Rex nursing bottles are not similar to the Pyrex nursing bottles either in material, appearance or price. They are cheap bottles, made of ordinary glass, costing about five cents each, whereas the Pyrex nursing bottles are sold at twenty-five cents.
>
> "In 1930, plaintiff extended the use of its trade-mark to a bottle known as a 'utility bottle'. In 1929,

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[6] Record, page 960. See also Record 1217.

[7] Record, page 67.

> it applied the trade-mark 'Rex' to toilet bottles of an indiscriminate character, and in 1931, it applied its trade-mark to a bottle known as the 'Pockiteer Flask', used as a container for liquor. All of these products manufactured by plaintiff were made from ordinary glass" (Rec. 1210).

In addition to its prescription bottles, Petitioner was at an early date also selling nursing bottles. It called them "Round Sterilizers", "Oval Sterilizers", "Bentneck Nursers", and "Baltimore Nursing Bottles". It did not apply "Rex" to them. But in 1928, six years after Corning's "Pyrex" nursing bottles had been widely sold and were known to most people having to do with feeding babies, Petitioner rechristened as "Rex" the same old bottles it had sold up to that time under other names.[8] It never extended its trade mark registration to such bottles.

The nursing bottles thus rechristened "Rex" were never known or called by that name. They are dealt in mostly as "five-cent nursers" and "nickel nursers".[9] "Pyrex" nursing bottles are known for their heat-resisting properties. They are recognized by everybody as a high-grade, comparatively expensive, dependable and scientific utensil and are called for by their name.[10]

The point of Petitioner's attack is that "Pyrex" on nursers is an infringement of the "Rex" mark applied by Petitioner to prescription bottles; that such use causes confusion between "Pyrex" nursers and the nursers which the Petitioner later rechristened "Rex"; and that therefore Petitioner had the right to stop Corning from using "Pyrex" on *anything made of glass.*

The Court of Appeals said (Rec. 1217):

> "The only substantial claim of conflict or confusion arises with reference to a nursing bottle manufactured by Corning from its heat-resisting glass and

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[8] Record, page 45.

[9] Record, page 997.

[10] Record, page 998.

> a nursing bottle manufactured by plaintiff out of ordinary glass, and as to this it should first be observed that plaintiff did not extend its business into this field until 1928, when it first placed its trade-mark 'Rex' upon nursing bottles. Corning, in 1922, put out its Pyrex nursing bottles. These bottles were made of Pyrex glass so that they might be heated without injury, and they were branded the same as the baking ware and scientific apparatus manufactured by Corning. Corning had occupied this field six years prior to the time that Obear-Nester placed its 'Rex' trade-mark upon nursing bottles, and during this time defendant expended large sums of money[11] in advertising its Pyrex nursing bottle."

Petitioner, as Plaintiff in the District Court, based its cause of action exclusively on its registration of "Rex" (in script) No. 231,759, on August 23, 1927, under the Trade-mark Statute (U. S. C. Title 15, Sections 81 and following) as a trade-mark for "prescription bottles made of glass". No common law rights were relied upon, no unfair competition was alleged, there was no charge of fraud, no allegation of deception of purchasers, and no proof of it.

The Findings of the Circuit Court of Appeals.

We have in the foregoing presented the facts of this case mainly by quotations from the Opinion. On the facts thus found the Court held:

> 1. That in view of the recited history of plaintiff's two registrations, namely, those of 1900 and 1927, in the instant case plaintiff's trade mark was registered for prescription bottles only (Rec. 1212) and "Corning has never manufactured prescription bottles or any glassware resembling such bottles"

[11] Corning in the six years between 1922 and 1928 spent $138,595.39 in the advertisement of the "Pyrex" nurser (R. 748) and its sales during that period amounted to over $609,000 (R. 744). Obear-Nester sales of the rechristened "Rex" nursers in the ten years from 1928 to 1937 aggregated less than $19,000 (Rec., pp. 1086, 1087).

(Rec. 1215) and "defendant's mark is not affixed to products of the same descriptive properties" as prescription bottles (Rec. 1217).

2. That in view of the whole picture as above presented "It would be difficult to believe that any confusion would probably or could possibly result from the use of defendant's trade mark on its prescription wares, or that anyone of ordinary intelligence could be deceived by the use of its trade mark, or that any such person might be led to purchase the defendant's goods on the belief that he was purchasing those of the plaintiff" (Rec. 1217).[12]

3. That "Pyrex" is not a colorable imitation of "Rex"; that "it" was adopted in good faith and has neither the sound nor the appearance of "Rex" (Rec. 1217).

4. That in so far as concerns any claim on the part of the plaintiff based upon its use of "Rex" on nursing bottles, "plaintiff entered the field after the defendant had already occupied it and had spent large sums of money in advertising its "Pyrex" nursing bottle, thereby acquiring a prior right to the use of the trade mark on this product" (Rec. 1218) and that for this reason the registration of "Rex" for prescription bottles did not preserve for all time for the plaintiff a monopoly on all other bottles of whatever description or quality or upon all glassware (Rec. 1219).

Petitioner's attempt to conjure from this situation novel questions of trade-mark law and its misapplication of accepted principles to the present case seems to us futile in view of the manifest soundness of the conclusions reached by the Circuit Court of Appeals. No new law is laid down

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[12] On page 5 of its petition Petitioner states that the record contains evidence of direct confusion. This is not true, and the record citations given by the Petitioner do not support the statements.

and the decision is in accord with the decisions of this Court and other Circuit Courts of Appeal. There was no dissent in the Court of Appeals, which, in the final analysis, passed only upon a question of fact—Was the mark used by Respondents on Corning's goods calculated to represent them as coming from Petitioner? This question of fact the Court decided in the negative.

In case of fact, precedents dealing with different facts are not decisive or even helpful.

In *Johnston* v. *Orr-Ewing,* L. R. 7—A. C. 219, Lord Watson said:

> "How can observations of judges upon other and quite different facts bear upon the present case, in which the only question is what is the result of the evidence?"

Lord Blackburn:

> "The question to be determined is a question of fact."

The fact here is that there is no deception. There is no formula or tape line as Petitioner suggests which applies to all cases. It is not as simple as that. As Mr. Justice Sutherland observed in *American Steel Foundries* v. *Robertson,* 269 U. S. 372, 381:

> "Judicial interference will depend upon the facts proved and found in each case."

We would assume that this Court would not be disposed to grant a Writ merely to review facts included in a record the size of this one.

Before taking up the several points of Petitioner's argument we call attention to a misstatement found on page 13 of Petitioner's brief. On that page, after referring to the amendment to the original draft opinion made by the Court on the petition of Corning, the brief says:

> "Petitioner was not given a hearing on this amendment."

And in the footnote on that page it is said:

> "The procedure by which the changes were made was substantially ex parte."

The changes made in no way affected any point on which the petition for certiorari is based, but we, however, feel that we should point out that these statements in Petitioner's brief are wholly incorrect. The change was suggested in a printed petition filed by Corning to modify the Opinion (Rec. 1221). This petition was duly served on the Petitioner here and to it the Petitioner here filed a printed memorandum in opposition (Rec. 1249). Thus, the Petitioner here had a hearing and the proceedings in this respect were not ex parte.

Petitioner's Point 1.

Petitioner's discussion of this point is as though the Court of Appeals' decision was one generally applicable and disregards the facts that render this case unique.

As before pointed out, Petitioner in its 1900 registration asserted its right to Rex for the *class* of bottles and particularly for prescription bottles. In taking out its 1920 registration, in suit, Petitioner limited its asserted right to prescription bottles, omitting any claim to bottles as a broad class.

The Court had this state of facts clearly in mind in referring to disclaimers in trade marks as being analogous to disclaimers in respect to patent claims. The Court said (Rec. 1208):

> "At the time plaintiff procured its certificate of registration for the trade-mark 'Rex,' October 23, 1900, it stated that the class of merchandise to which this trade-mark is appropriated is bottles, and the particular description of goods comprised in said class upon which the trade-mark is used is prescription bottles. * * * When it applied to re-register the trade-mark on April 25, 1927, it stated in its application as follows: 'Be it known that Obear-Nester

> Glass Co., a corporation * * *, has adopted and used the trade-mark shown in the accompanying drawing, for PRESCRIPTION BOTTLES MADE OF GLASS, Class 33, Glassware.' "

Under Rule 22-b of the Patent Office, printed on page 19 of Petitioner's brief, the Petitioner here could, in 1927, have claimed Rex as applied to bottles as a class and could have specified prescription bottles as the particular goods to which the mark was applied. To state it differently, Petitioner in 1927 could have used the exact words for defining the scope of its registration as it used in its 1900 registration.

Petitioner's Point 2.

In support of this point, Petitioner cites several decisions, acknowledging, however, that this Court has not passed on the question involved. However, none of the cases cited involves the particular state of facts pointed out in the quotation made under Point 1 from the decision of the Circuit Court of Appeals in deciding this case.

Petitioner asserts that the goods of the parties are "merchandise of substantially the same descriptive properties" as that curiously vague term is used in the Statute.

After a good deal of indecision, the Courts now construe this language to mean that goods are of substantially the same descriptive properties if the use upon them of a common mark would represent that they had a common origin and as a consequence result in deception. They arrive at this sensible conclusion in consideration of the fact that the purpose of the trademark statute is to suppress deception as to the commercial origin of goods. Where, as here, no deception in fact results from the use by Respondents of the mark complained of, the question of the descriptive properties of the goods is irrelevant.

Petitioner's Point 3.

This is based on the theory that the doctrine of expansion in business is applicable to a suit on a registered trade mark and that under that doctrine the registered trade mark covers not only the use of the mark on merchandise of the same descriptive properties as those set forth in the registration but also covers and authorizes the owner of a registered trade mark to stop its use not only upon articles to which he has applied it "but upon such other goods as might naturally be supposed to come from him", this being the scope afforded under this doctrine in *L. E. Waterman Co.* v. *Gordon,* 72 Fed. (2d) 272. On this theory in the *Waterman* case the Court extended the protection of "Waterman," used by the plaintiff on fountain pens, to razor blades. Likewise on this theory, *Eastman Co.* v. *Kodak Cycle Corp.,* 15 R. P. C. 105, extended the coverage of "Kodak" from cameras to bicycles, and *Wall* v. *Rolls Royce,* 4 Fed. (2d) 333, extended the coverage of "Rolls Royce" from automobiles to radio tubes.

Petitioner in seeking improperly to apply the rule of coverage of unfair competition cases to this statutory proceeding is confessing that it cannot urge that the goods of which it complains are goods which, in the wording of the Statute, "are of the same descriptive properties" and that it has no standing in this Court in a suit based on the Statute. However, the Court below did not predicate its decision on a holding that the doctrine applicable to "expansion in business" was barred by the nature of this proceeding alone, but on the holding that such doctrine is inapplicable to the facts of this case. Petitioner does not assert that the Court below erred in its finding of the facts.

The Court said (Rec. 1219):

> "A somewhat similar contention was urged in *Emerson Electric Manufacturing Company* v. *Emerson Radio & Phonograph Corporation,* 2 Cir., 105 F. 2d 908. In that case, the Emerson Electric Manufacturing Com-

pany brought suit for infringement of its trade-mark and for unfair competition against the Emerson Radio & Phonograph Corporation. In the course of the opinion, the court holding that when one acts innocently and is not chargeable with notice, he may demand that the court weigh his interest as it has developed at the time the suit is brought, said:

> 'There is a great difference between such a case and one in which the second merchant invades a market which the first is already exploiting. Whether even then he is to be charged with notice of the first's prior user we lay aside; but certainly the defendants at bar should not be charged with notice that the plaintiff would begin to sell radios, or that the public would assume that radios sold by them came from the plaintiff. If the plaintiff proposed to keep the radio market as an unused preserve, it was bound to protect it against invaders by affirmative action; it could not impose upon them the duty of divining its own purposes or possible mistakes of the public.'
>
> "So here, the defendant could not certainly, in face of the declared purpose of plaintiff to limit its trade-mark 'Rex' to prescription bottles, and its conduct in limiting its products to such bottles, have anticipated that it would begin to manufacture and sell nursing bottles."

Certiorari was refused by this Court in *Emerson* v. *Emerson* on December 4, 1939 (308 U. S. 616). The *Emerson* case is a recent decision by the Circuit Court of Appeals of the Second Circuit—the same court which earlier decided the *Aunt Jemima*[13] and *Landers, Frary & Clark*[14] cases cited by Petitioner. In the *Emerson* case the Court followed its own previous decision in *Gold Dust* v. *Hoffen-*

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[13] *Aunt Jemima Mills Co.* v. *Rigney & Co.*, 247 F. 407 (C. C. A. 2).

[14] *Landers, Frary & Clark Co.* v. *Universal Cooler Corp.*, 85 F. (2d) 46 (C. C. A. 2).

berg et al., 87 Fed. (2d) 451, which was subsequent to the *Aunt Jemima* and *Landers* cases relied on by Petitioner.

The petitioner seeks to differentiate (page 29) the *Emerson* case on the ground that that case "related solely to a matter of notice", presumably meaning lack of notice to defendant. In the present case there was no notice to the Respondent of the claim now advanced until it had been using its "Pyrex" trade mark for fifteen years.

Petitioner's Point 4.

That the Circuit Court of Appeals was fully conscious of Rule 52-A of the Rules of Civil Procedure is shown by the quotation from the *Esso* case[15] printed on page 32 of Petitioner's brief. Nevertheless, they reversed the District Court on the question of identity of goods and on the question of similarity between "Rex" and "Pyrex". It must, therefore, be assumed that the Court found that "a serious mistake had been made in the consideration of the evidence or an obvious error had been committed in the application of the law." The Court found these facts in carefully considering the record, and after summarizing the findings of fact and conclusions of law, as made by the District Court, said:

> "The following facts are established either by admissions or by undisputed testimony, and although not embodied in the court's findings, we think them material to the issues in this suit" (Rec. 1208).

The decision of the District Court was predicated on the erroneous legal theory on which the Complaint was based. The Circuit Court of Appeals very properly held that this theory was unsound, and said that there were certain facts not embodied in the Trial Court's findings which were established either by admissions or undisputed testimony, and thereupon proceeded to make additional find-

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[15] *Esso, Inc.* v. *Standard Oil Co.*, (C. C. A. 8) 98 F. (2d) 1.

ings—substantially that Petitioner had never manufactured any glassware except bottles, that Respondent prior to 1915 had perfected a manufacturing process by which it produced a special quality of glass and applied the trademark "Pyrex" to articles made from this glass, that there was no deception or confusion of goods, and hence no infringement in fact, with the necessary corollary that the statute does not create a cause of action where none existed at common law.

Petitioner's Point 5.

This is a reiteration of points 1 and 2, with special emphasis on the alleged great public interest of the decision below and the need of correcting the supposed error in it on the pretended ground that the protection afforded by several hundred thousand registrations, is imperilled by that decision. This is not so; for as we have pointed out, there never has been, and probably never will be, a case like this where the registrant on registering his trade mark voluntarily limits the scope of the description of the goods set out in it, and then asserts that as he might have broadened the description of goods, but did not, the world is put on notice by what might have been done but was not. In short, that the registration *is notice in favor of the registrant of what he fails to claim.* The exact reverse is the case, as the Court below properly held. The situation, as the Court correctly pointed out, is like that of a patentee who describes and claims his invention in his patent. He is confined within its four corners. Petitioner bottomed its case on the statute, and must, as the Circuit Court of Appeals decided, rest its case on the statute.

Here the Respondent has used its "Pyrex" trade-mark notoriously and extensively advertised[16] it for twenty-five years so that probably it is one of the best known and most

[16] Samples of Respondent's advertisements are found on pages 779-800, and 1129-1174 of the Record.

highly esteemed trade-marks in the world representing public confidence and a good will of enormous value. The Circuit Court of Appeals naturally felt that to stop this use, destroy the value and require all the profits of the business to be turned over to a prior user of the word "Rex" on prescription bottles would be a plain perversion of every principle of trade-mark law.

The reasons for the Writ alleged in the Petition seem to us to be unreal and without substance.

We ask that the Petition be denied.

Respectfully submitted,

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